

Results of mBank Group Q1-Q4 2014

A strong year in a challenging environment

Management Board of mBank S.A.

Investor Presentation

February 5, 2015



Key highlights of 2014

Core revenues of PLN 3,392 M at historical high

- NII at PLN 2,491 M, +11.9% YoY amid further acceleration in lending
- NFC at PLN 902 M, +8.0% YoY, despite interchange fee reduction

Best-in-class efficiency

- Cost/Income ratio at 44.9%

Profit & Loss

Abundant, high-quality capital above all requirements

- CET 1 Ratio at 12.2%
- Total Capital Ratio at 14.7%

Issues of covered bonds add to long-term financing sources

Strong liquidity levels

- LtD ratio at 103.0%

Capital & Liquidity

Total revenues increased to PLN 3,939 M

Volumes

Sound volume growth

- Gross loans at PLN 77.4 B (+2.2% QoQ, +9.3% YoY)¹
- Customer deposits at PLN 72.4 B (+5.3% QoQ, +20.4% YoY)¹

Retail lending acceleration

- Record high NML sales at PLN 4.4 B (+17% YoY) and mortgage production at PLN 3.3 B (+58% YoY)

Business development

Strategic initiatives to exploit growth opportunities

- Long-term partnerships with AXA and Orange Polska
- Covered bond issuance leadership

Strong client acquisition

- 4,689 thou. retail clients (+320 thou. YoY) and 17,787 corporate clients (+1,454 YoY)

**Net Profit of PLN 1,287 M,
+6.7% compared to 2013**

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

2014/2015 – Strategic Agenda

Delivering the strategy

2014

- Cooperation with Orange Polska resulting in a launch of joint mobile banking service
- Strategic partnership with AXA for a distribution of insurance products through mBank's channels
- Issue of targeted PLN 1 billion covered bonds by mBank Hipoteczny
- Opening of the first integrated advisory centre and light branches under the "One Network" concept

2015

- Strengthening mBank's leadership in mobile and transactional banking
- PLN 1.5 billion covered bonds are planned to be issued in order to further add to the long-term financing sources of mBank Group
- Migration of MultiBank clients onto New mBank platform to be completed
- Further reorganisation and unification of mBank's sales network

Fortifying the balance sheet and strengthening of business growth

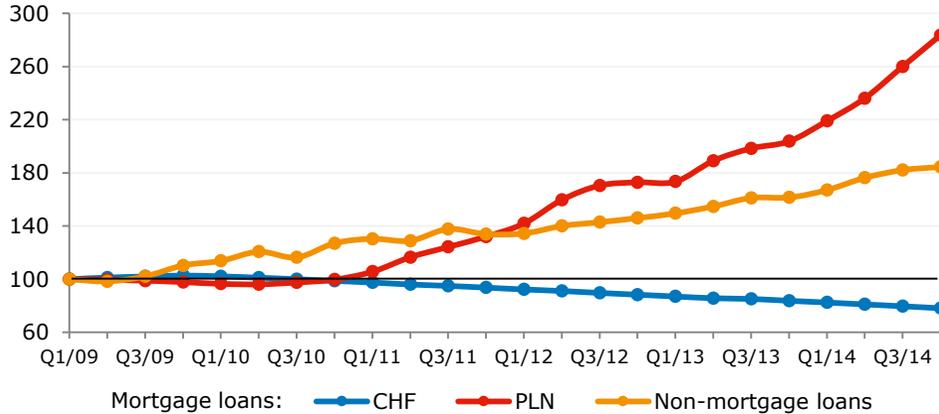
- Continued focus on sourcing diversified, long-dated and attractively priced funding
- Improving return on assets through change of lending mix and phase-out of heritage FX ML portfolio
- Providing support to CHF mortgage loan customers when needed
- **Retail banking**: Enhancing client acquisition through the New mBank platform; growing lending business with a more attractive risk-return profile and higher margin characteristics; ensuring a stable and adequate deposit base by leveraging transactionality
- **Corporate banking**: Exploit expected growth in the sector in a stronger economy; integrated corporate and investment banking offer to SME; continued growth in number of clients across all segments

mBank well-positioned for the challenges of 2015

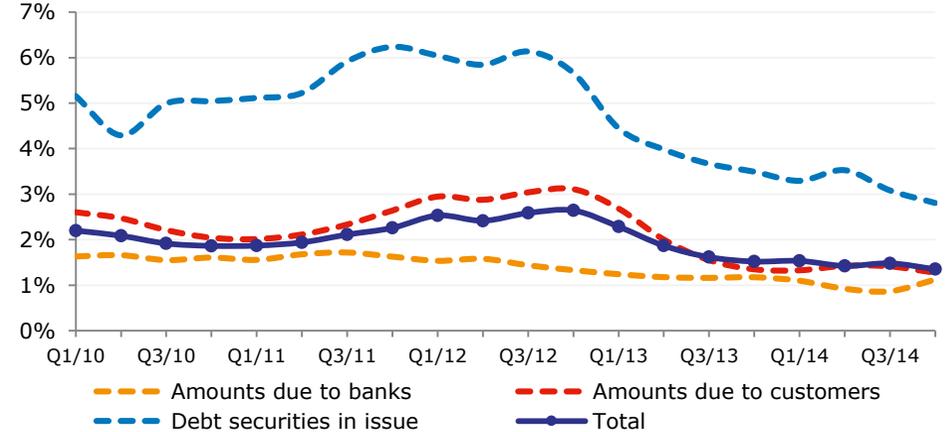
A gradual change of lending mix and declining funding costs

Lower interest rates

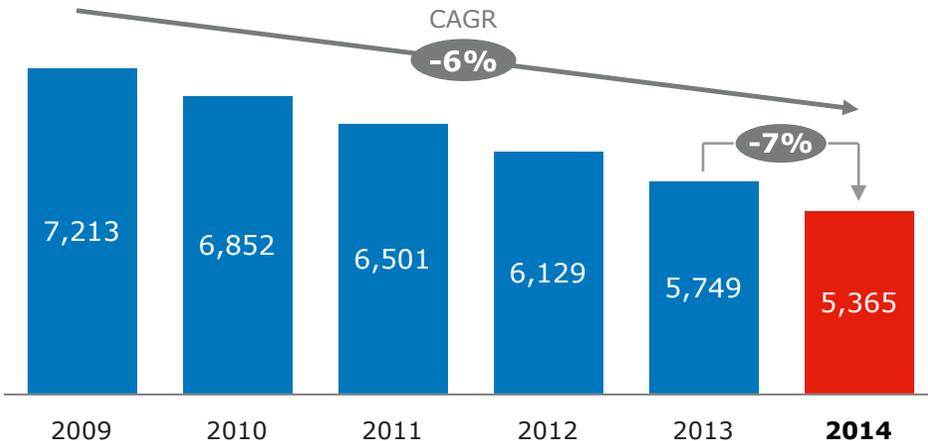
Development of Gross Loans by Type (31.03.2009=100)



Development of Funding Costs by Source (quarterly)



Gross CHF Mortgage Loans to Customers (CHF M)



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

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

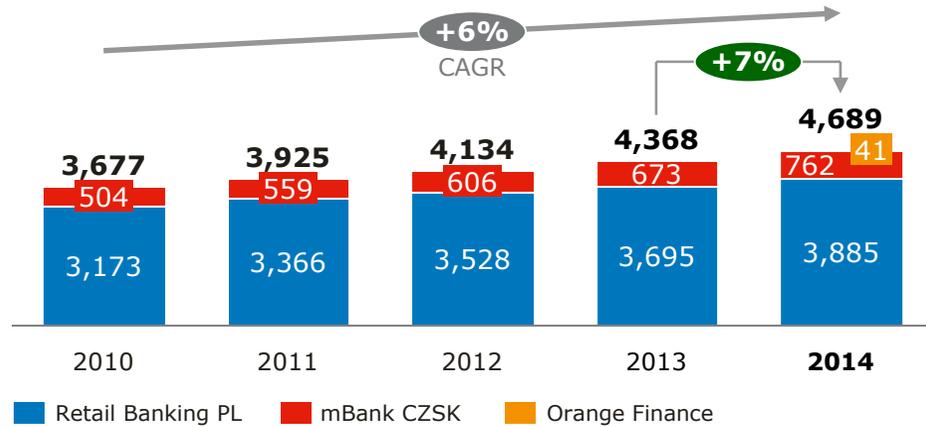
mBank has extended maturity of issued bonds at more attractive prices

mBank well-positioned for the challenges of 2015

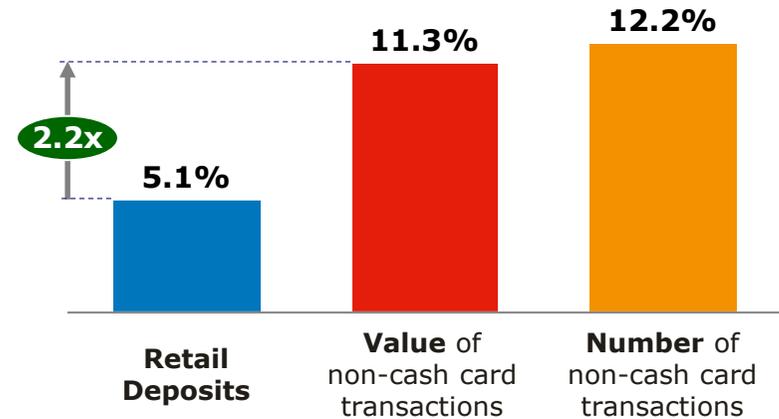
High transactionality amid a constantly growing client base

Lower
interchange fees

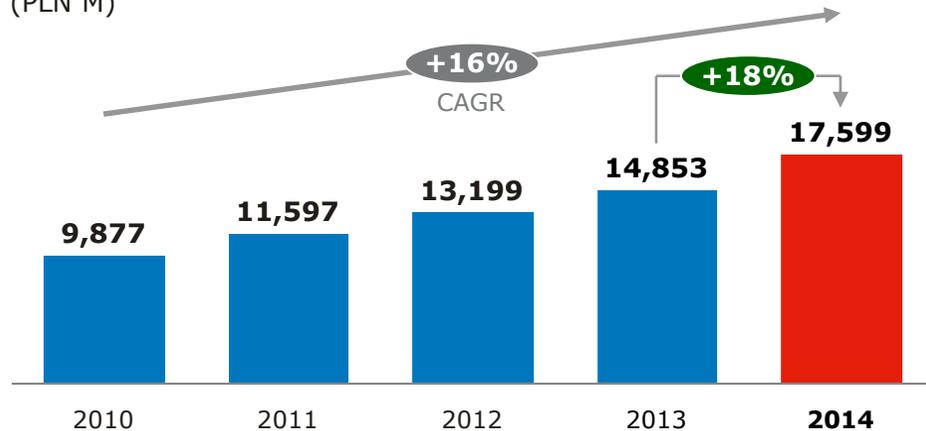
Number of mBank's Retail Clients (thou.)



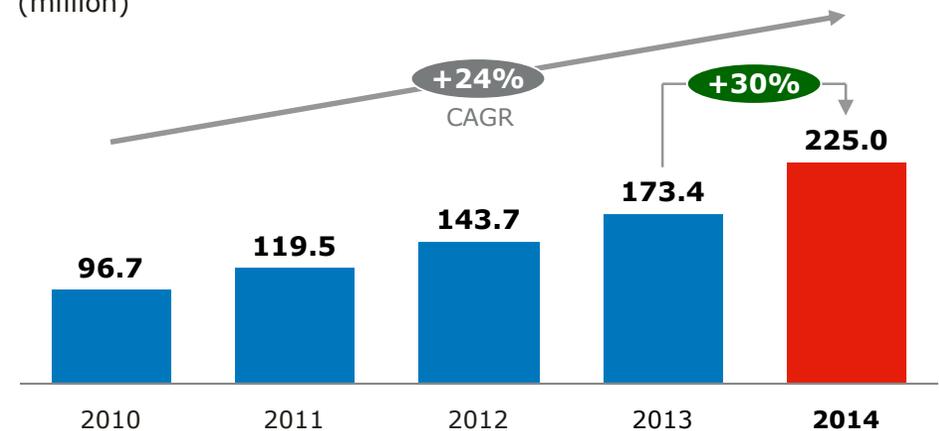
mBank's share in Deposits and Card Transactions in Poland – 9M 2014



Value of mBank's Non-cash Transactions with Payment Cards (PLN M)



Number of mBank's Non-cash Transactions with Payment Cards (million)



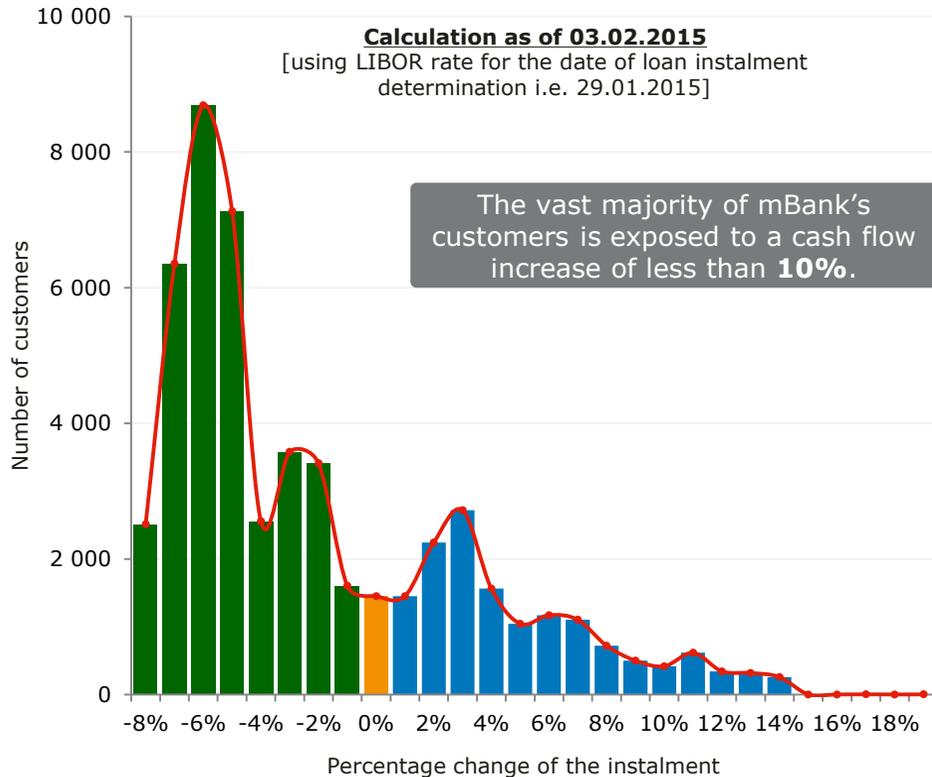
Source: mBank calculation based on data from National Bank of Poland.

mBank well-positioned for the challenges of 2015

Limited impact of CHF appreciation on mBank's borrowers

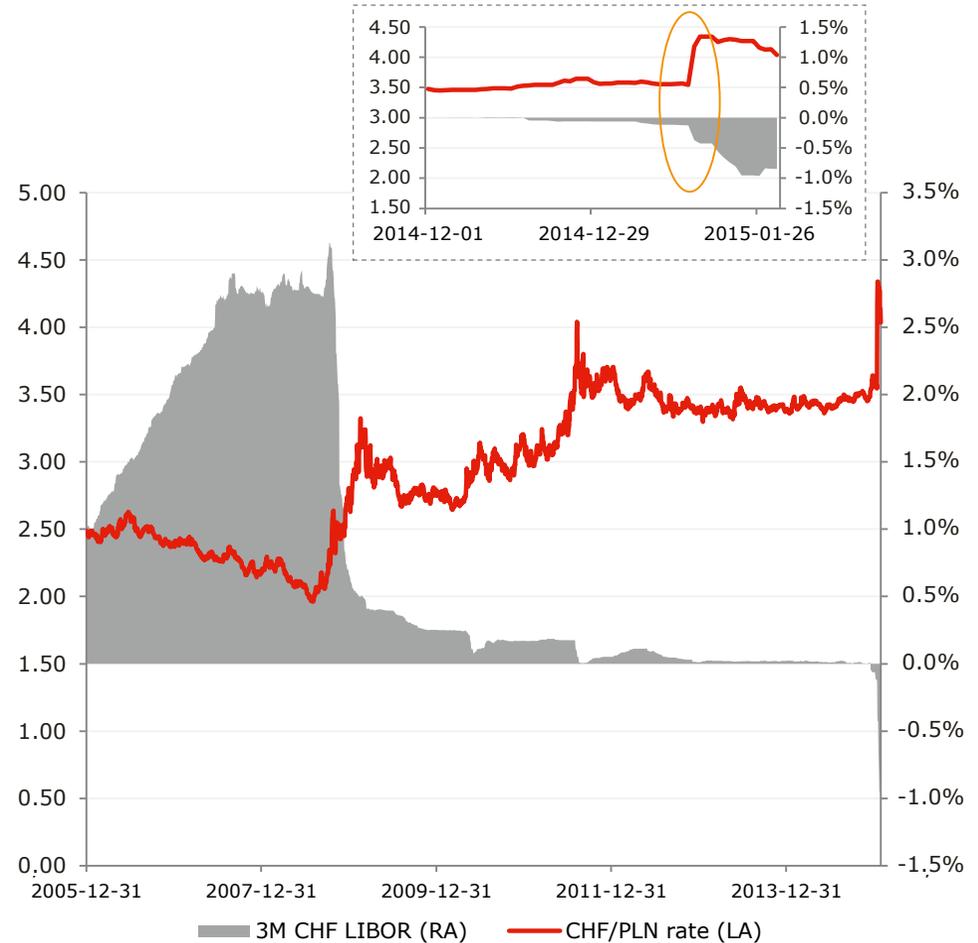
CHF strengthening

Distribution of mBank's borrowers by the percentage change of their instalment compared to December 2014



The presented net increase of customers' monthly cash flow due to credit burden is based on the following parameters:
CHF/PLN exchange rate at 3.9834 and 3-month CHF LIBOR rate at -0.86%

Development of CHF/PLN exchange rate and 3-month CHF LIBOR rate since the end of December 2005



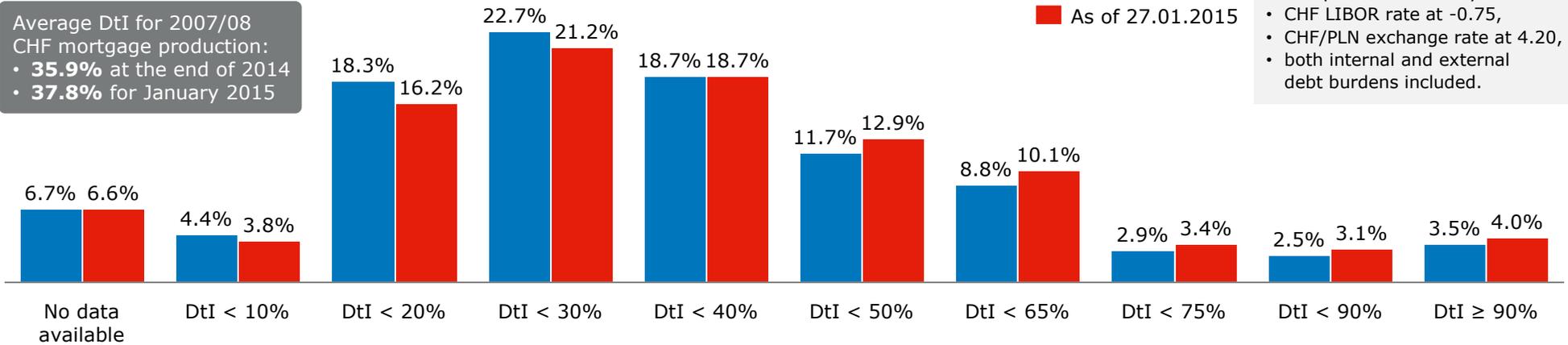
Source: internal mBank's calculations based on individual loan data as of 31 December 2014; Bloomberg.

mBank well-positioned for the challenges of 2015

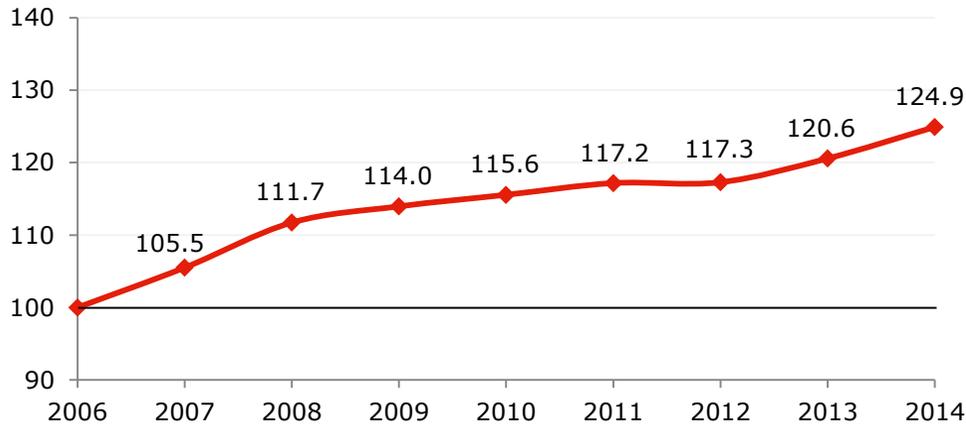
mBank's client base overall resilient

CHF strengthening

Distribution of mBank's CHF mortgage borrowers by Debt-to-Income (DtI) levels



Development of real wages (rebased to 2006=100)



Source: internal mBank's calculations based on individual loan data.

A package of solutions for mBank's clients in need

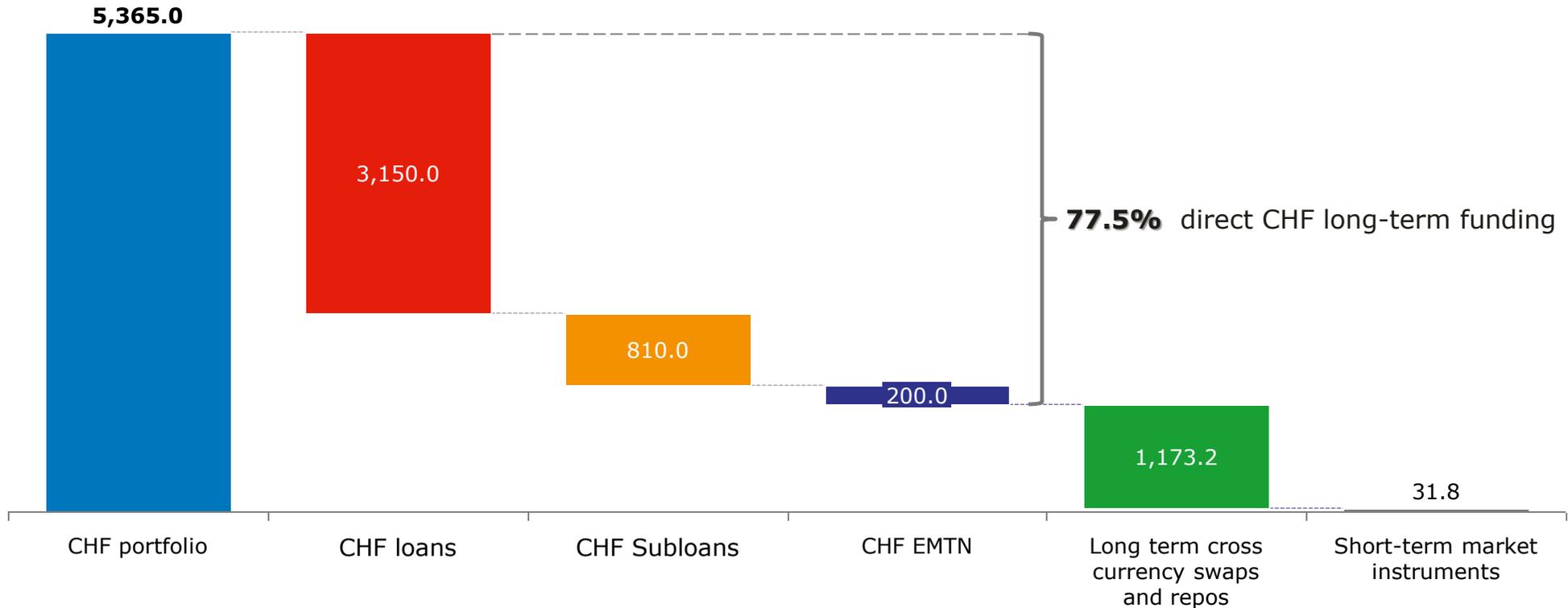
- Passing on of negative LIBOR rate to all borrowers
- Reduced Swiss franc spread
- Repayment rescheduling, incl.:
 - respite for payment of capital over the period of 12 months
 - extension of loan maturity
 - flexible payment schedule
 - change of instalment payment date
 - change of instalment type (decreasing or equal)

mBank well-positioned for the challenges of 2015

A CHF funding profile putting mBank in a position of strength

**CHF
strengthening**

mBank's CHF funding composition as of 31.12.2014



- CHF mortgage loans predominantly funded by long-term CHF-denominated funding from Commerzbank and bond markets
- Reliance on short term funding at marginal levels

Agenda

mBank Group in 2014

Summary of Q4/14 in mBank Group

- Key Financials

- Client acquisition and Market shares

- Development of retail and corporate business

Analysis of Q4/14 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

mBank Group in 2014

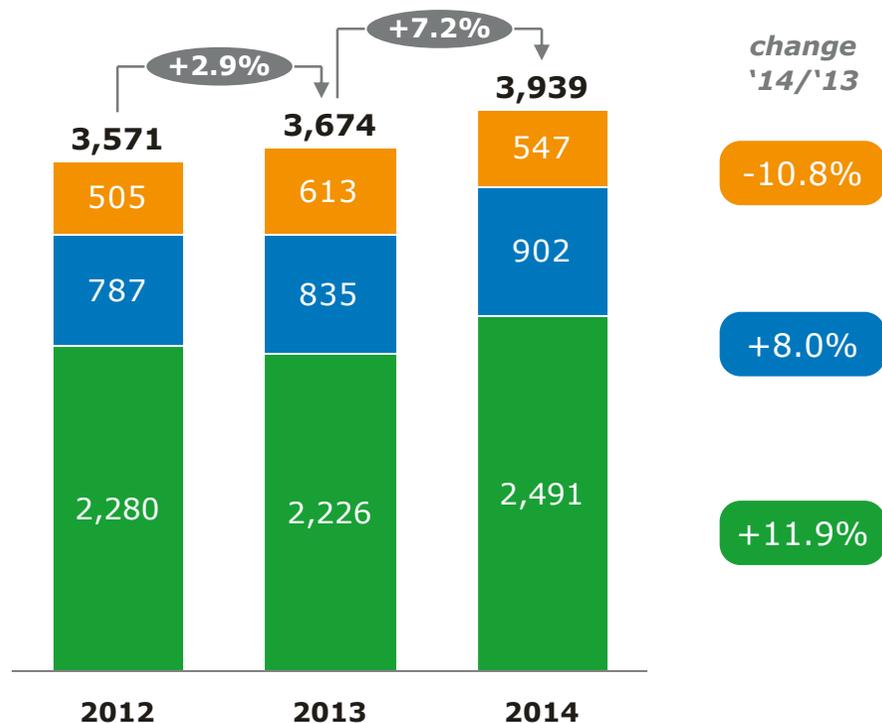
Summary of Key Financials: Profit and Loss Account

<i>in PLN M</i>	2012	2013	2014	Change '14/'13
Net interest income	2,280	2,226	2,491	 +11.9%
Net Fee & Commission income	787	835	902	 +8.0%
Total income	3,571	3,674	3,939	 +7.2%
Total costs	(1,661)	(1,678)	(1,771)	 +5.5%
Loan Loss Provisions	(445)	(478)	(516)	 +8.0%
Profit before tax	1,465	1,518	1,653	 +8.9%
Net profit	1,197	1,206	1,287	 +6.7%
Net Interest Margin (NIM)	2.43%	2.21%	2.30%	 +0.09 p.p.
NIM excl. CHF portfolio	2.92%	2.64%	2.70%	 +0.06 p.p.
Cost/Income ratio	46.5%	45.7%	44.9%	 -0.8 p.p.
Cost of Risk	0.66%	0.70%	0.72%	 +0.02 p.p.
Return on Equity (ROE)	14.6%	13.1%	13.1%	 0.0 p.p.
Return on Assets (ROA)	1.23%	1.14%	1.13%	 -0.01 p.p.

mBank Group in 2014

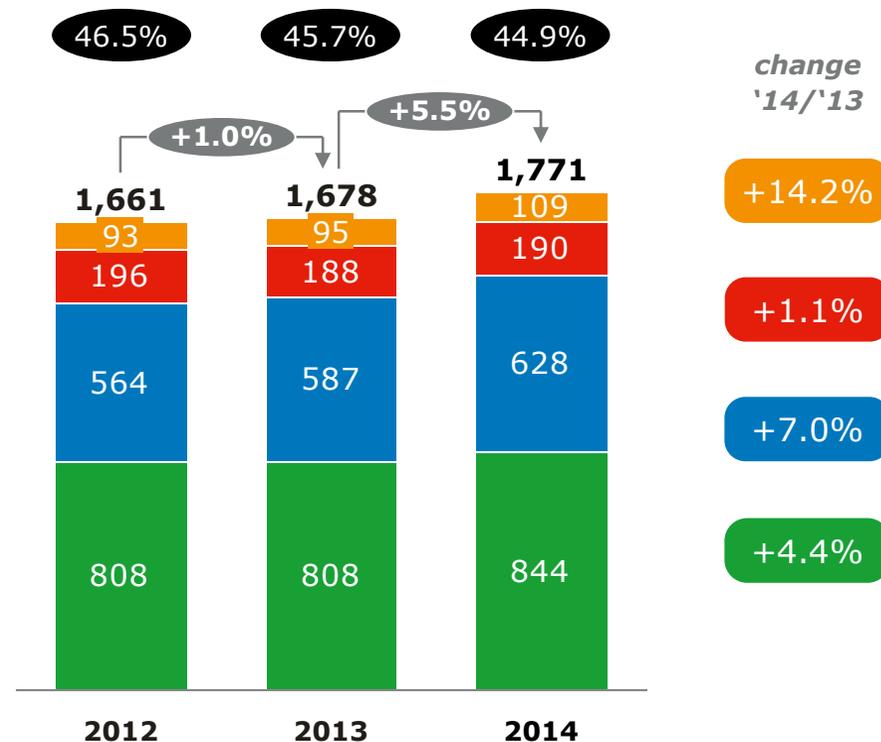
Development of Revenues and Costs

Development of Total Income
(PLN M)



- Net Interest Income
- Net Fee and Commission Income
- Trading and Other Income

Development of Total Costs
(PLN M)



- Personnel Costs
- Material Costs
- Depreciation & Amortization
- Other

XX.X% Cost/Income ratio

mBank Group in 2014

Summary of Key Financials: Balance Sheet

<i>in PLN M</i>	2012	2013	2014	Change '14/'13
Gross loans to customers	69,475	70,582	77,373	 +9.6%
Retail client loans	37,704	38,308	41,560	 +8.5%
Core corporate client loans ¹	26,381	26,188	29,002	 +10.7%
Amounts due to customers	57,984	61,674	72,422	 +17.4%
Retail client deposits	33,234	34,203	39,285	 +14.9%
Core corporate client deposits ¹	22,365	22,123	28,499	 +28.8%
Loan to Deposit ratio	115.5%	110.6%	103.0%	 -7.6 p.p.
NPL ratio ²	5.2%	6.3%	6.4%	 +0.1 p.p.
Coverage ratio ²	64.1%	47.8%	51.9%	 +4.1 p.p.
Core Tier 1 / CET 1 ^{3,4}	13.0%	14.2%	12.2%	 -2.0 p.p.
CAR / Total Capital Ratio ^{3,4}	18.7%	19.4%	14.7%	 -4.7 p.p.

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

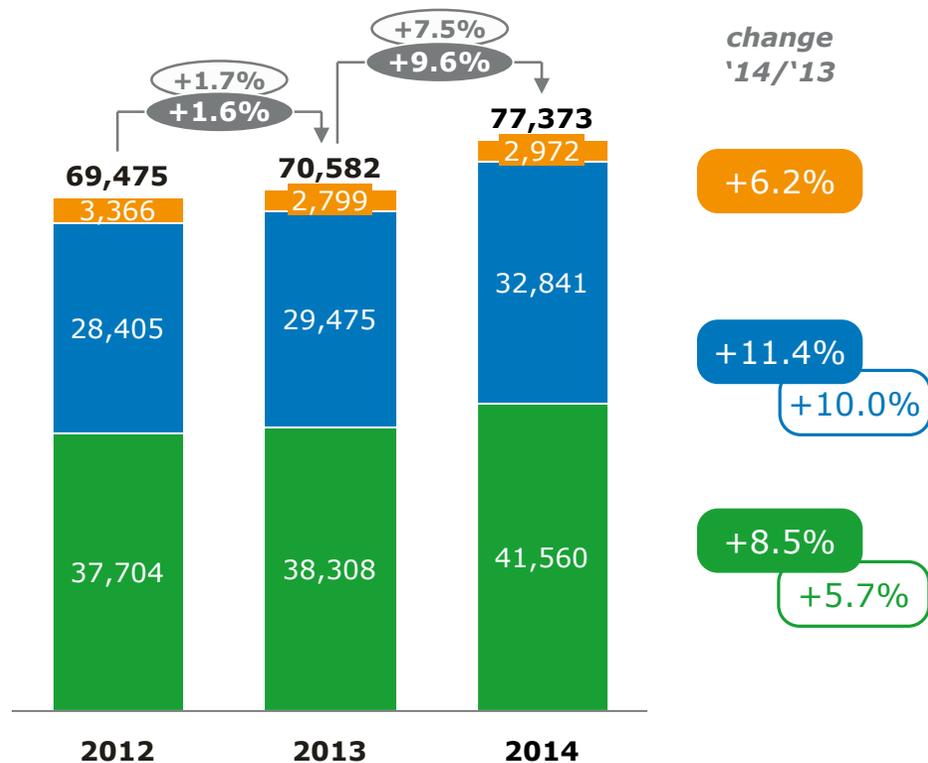
³ Since the end of March 2014 the capital ratios are calculated in accordance with Basel III rules

⁴ Including the retention of 2014 profit less dividend the common equity Tier 1 ratio (CET 1) and Total Capital Ratio would be 12.7% and 16.3%, respectively.

mBank Group in 2014

Development of Loans and Deposits

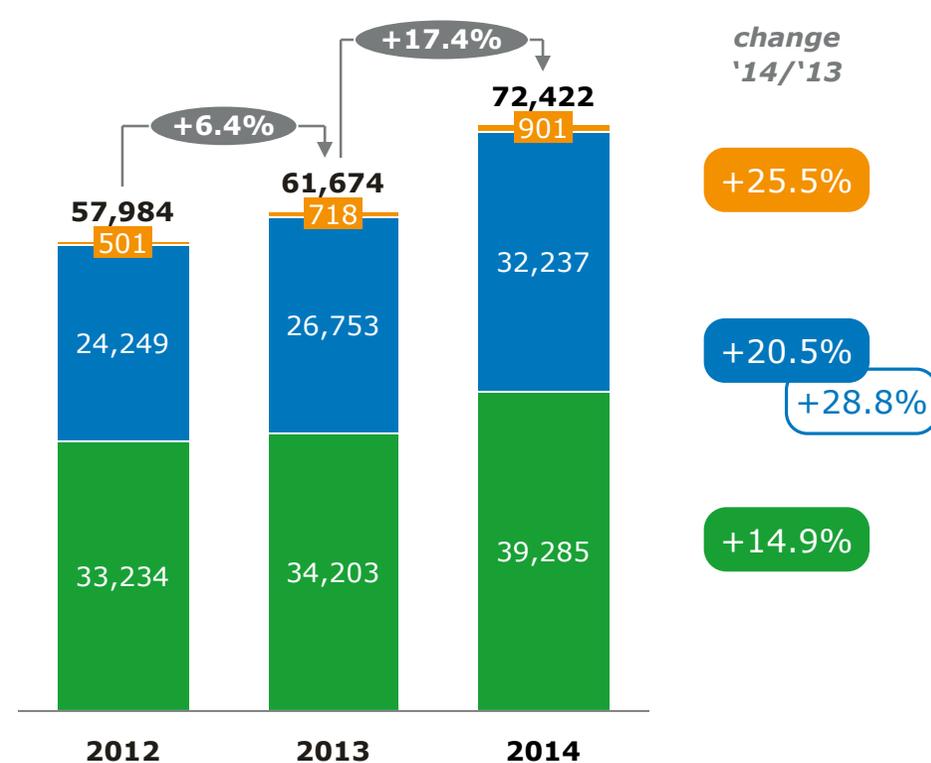
Development of Gross Loans
(PLN M)



- Individual clients
- Corporate clients
- Other (incl. Public sector)

+XX.X% Excluding FX effect

Development of Deposits
(PLN M)



- Individual clients
- Corporate clients
- Public sector

+XX.X% Excluding Repo transactions

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mBank Group in 2014



Summary of Q4/14 in mBank Group

Key Financials

Client acquisition and Market shares

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Summary of Q4/14 Results in mBank Group

Key Financials: Profit and Loss Account

<i>in PLN M</i>	Q4/14	Q3/14	<i>Change Q4/Q3</i>		Q4/13
Net interest income	632.5	649.9		-2.7%	588.1
Net Fee & Commission income	200.4	216.2		-7.3%	228.9
Total income	939.9	1,018.9		-7.8%	964.2
Total costs	(443.5)	(441.2)		+0.5%	(441.6)
Loan Loss Provisions	(112.6)	(157.9)		-28.7%	(117.1)
Profit before tax	383.8	419.8		-8.6%	405.5
Net profit	308.6	315.5		-2.2%	314.2
Net Interest Margin (NIM)	2.27%	2.32%		-0.05 p.p.	2.31%
NIM excl. CHF portfolio	2.66%	2.72%		-0.06 p.p.	2.76%
Cost/Income ratio	47.2%	43.3%		+3.9 p.p.	45.8%
Cost of Risk	0.61%	0.89%		-0.28 p.p.	0.68%
Return on Equity (ROE)	12.4%	12.8%		-0.4 p.p.	13.7%
Return on Assets (ROA)	1.04%	1.07%		-0.03 p.p.	1.18%

Summary of Q4/14 Results in mBank Group

Key Financials: Balance Sheet

<i>in PLN M</i>	Q4/14	Q3/14	<i>Change Q4/Q3</i>	Q4/13
Gross loans to customers	77,373	74,698	 +3.6%	70,582
Retail client loans	41,560	40,555	 +2.5%	38,308
Core corporate client loans ¹	29,002	28,796	 +0.7%	26,188
Amounts due to customers	72,422	69,564	 +4.1%	61,674
Retail client deposits	39,285	36,642	 +7.2%	34,203
Core corporate client deposits ¹	28,499	27,209	 +4.7%	22,123
Loan to Deposit ratio	103.0%	103.4%	 -0.4 p.p.	110.6%
NPL ratio ²	6.4%	6.3%	 +0.1 p.p.	6.3%
Coverage ratio ²	51.9%	51.7%	 +0.2 p.p.	47.8%
Core Tier 1 / CET 1 ³	12.2%	13.1%	 -0.9 p.p.	14.2%
CAR / Total Capital Ratio ³	14.7%	15.6%	 -0.9 p.p.	19.4%

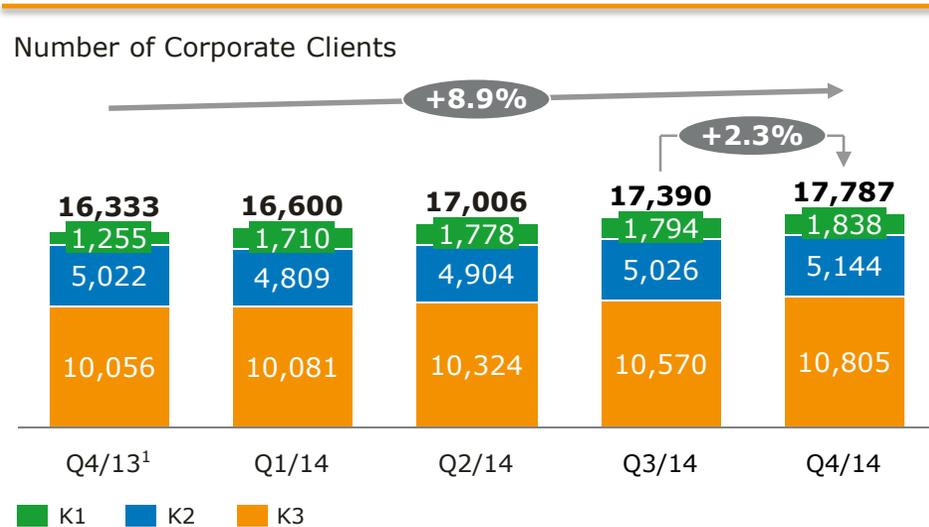
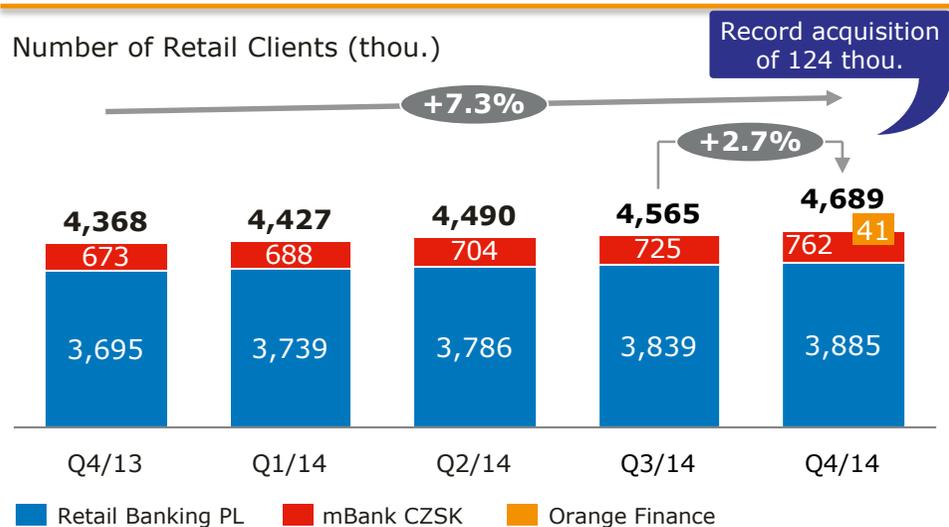
¹ Excl. reverse repo / buy-sell-back transactions for loans and repo transactions for deposits

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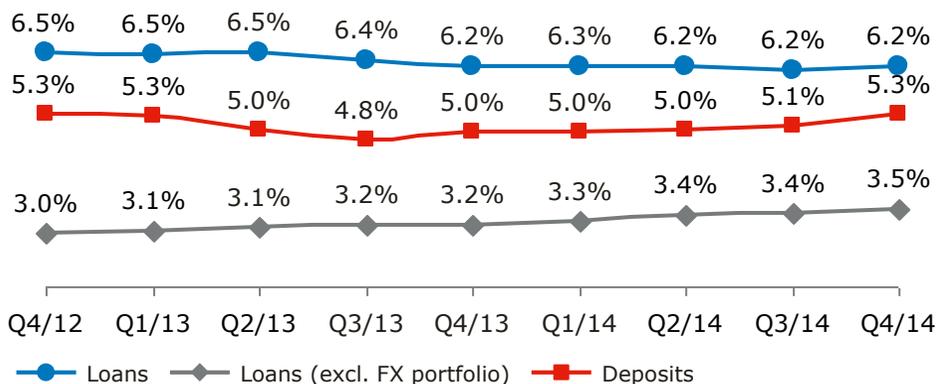
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Summary of Q4/14 in mBank Group

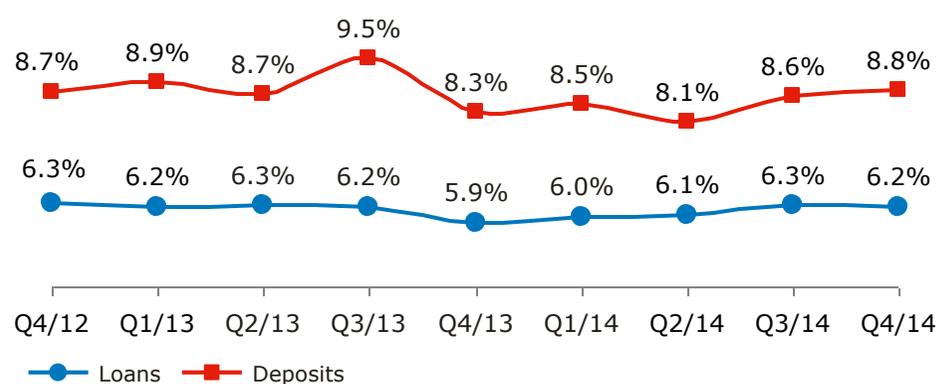
Business Development: Client acquisition and Market shares



Market shares in Retail Banking segment



Market shares in Corporate Banking segment

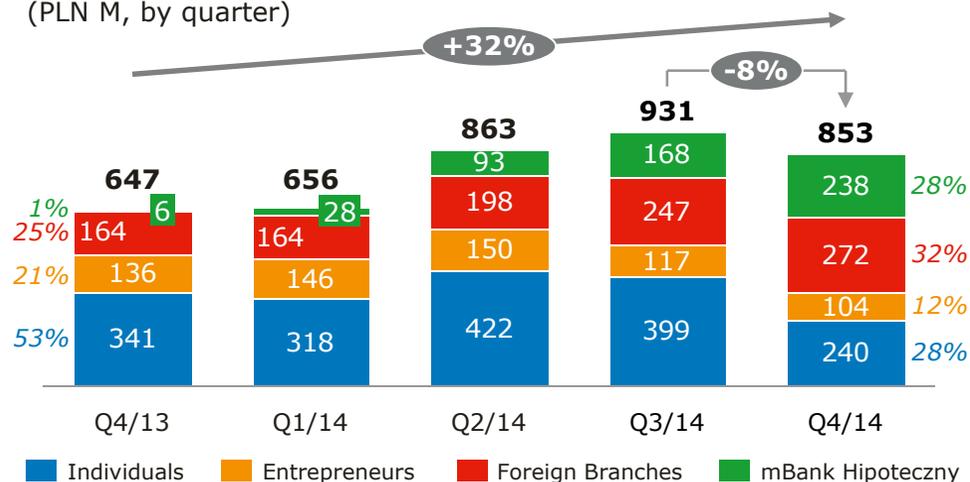


¹ Since 2014 all non-banking financial institutions were reclassified and moved to the K1 segment (the change concerned ca. 400 clients, mainly from K2 segment)
Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3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

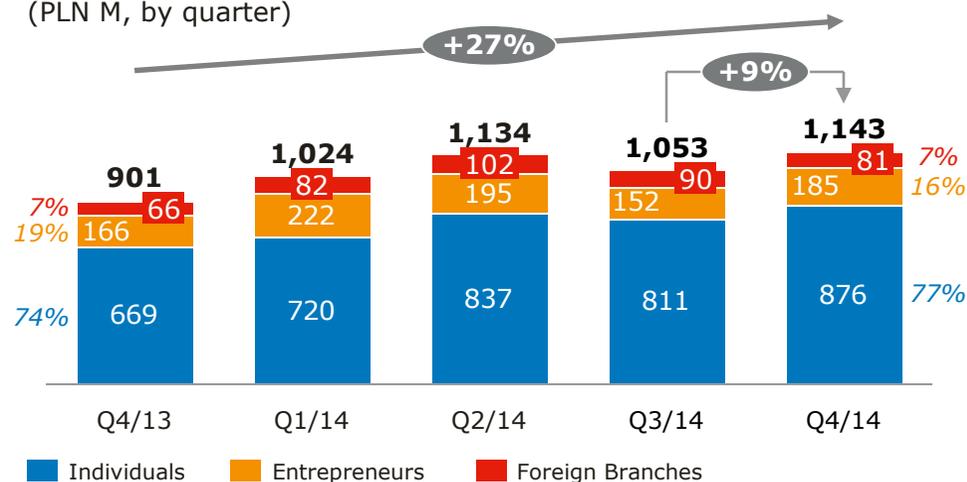
Summary of Q4/14 in mBank Group

Development of Retail and Corporate business

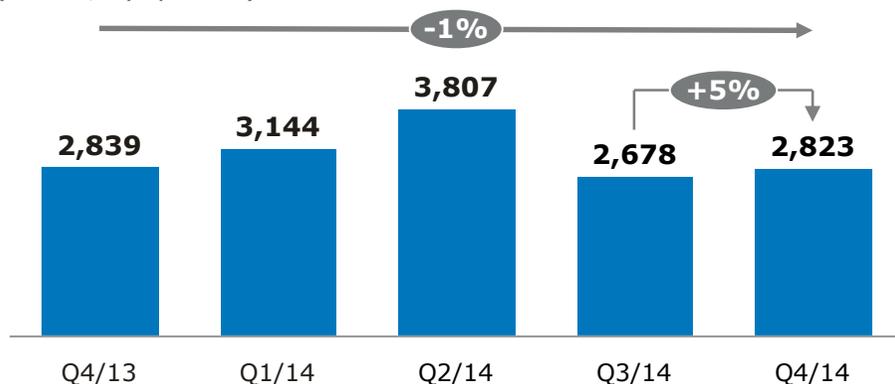
Sales of Mortgage Loans
(PLN M, by quarter)



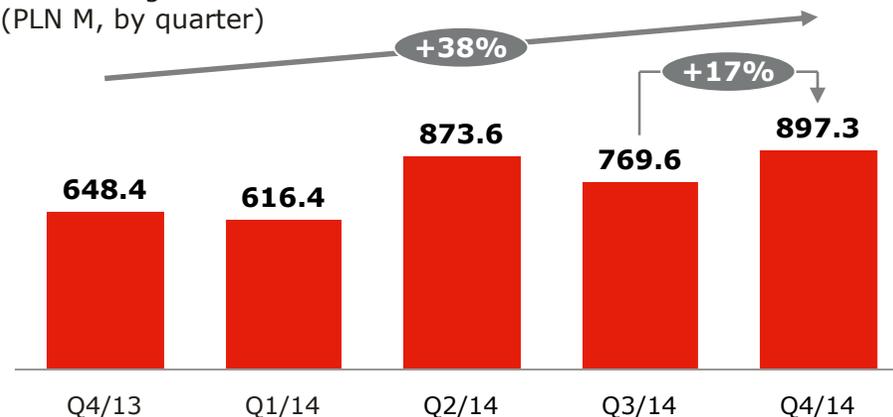
Sales of Non-Mortgage Loans
(PLN M, by quarter)



Sales of Corporate Loans
(PLN M, by quarter)



New leasing contracts
(PLN M, by quarter)



Agenda

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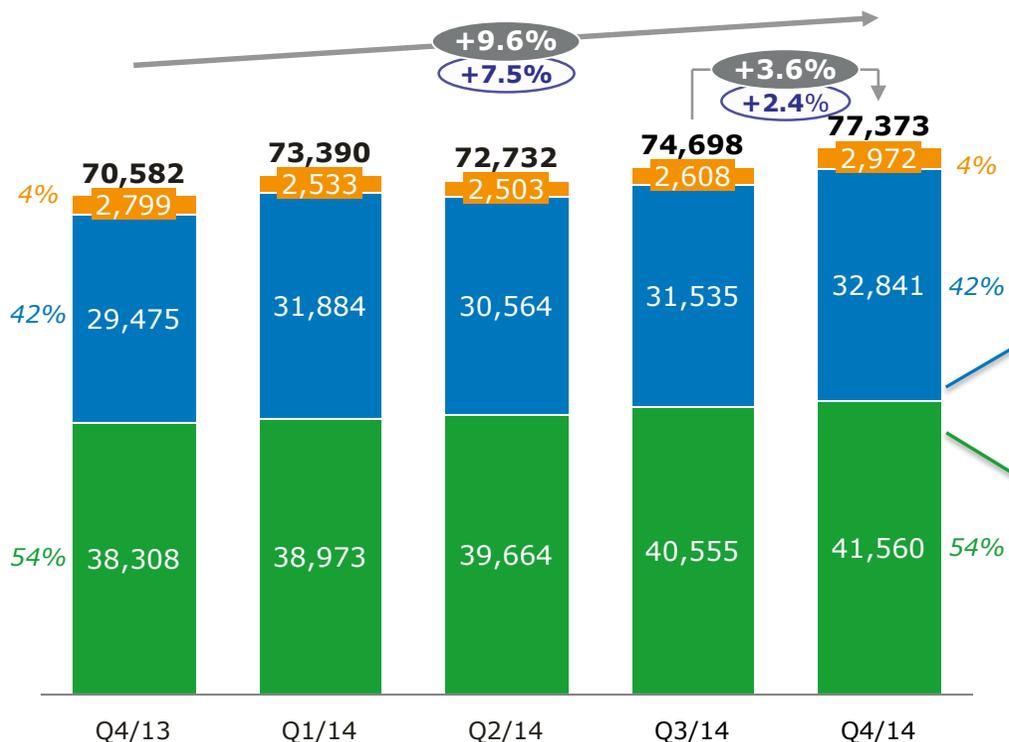
Detailed Results of Business Lines

Analysis of Q4/14 in mBank Group

Development of Loans to Customers

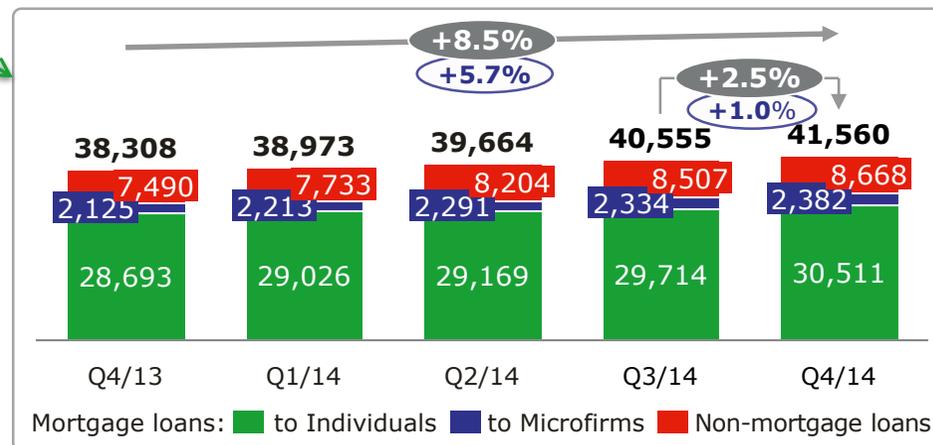
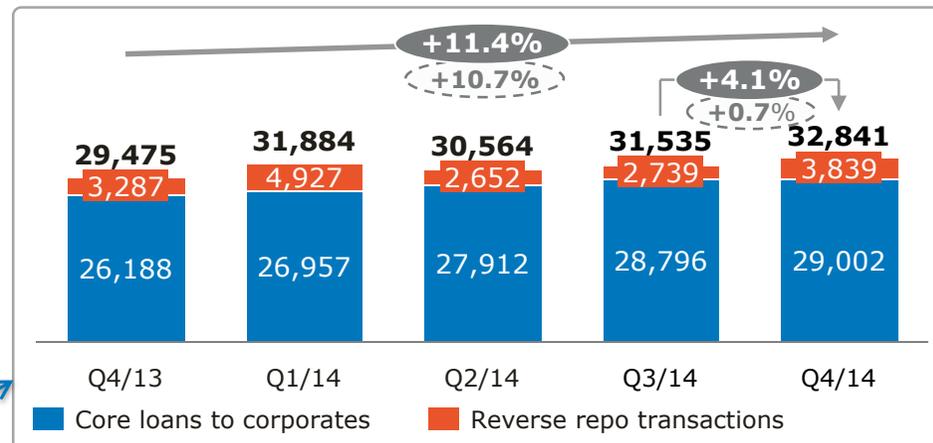
Balanced growth of loans in both retail and corporate segment

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

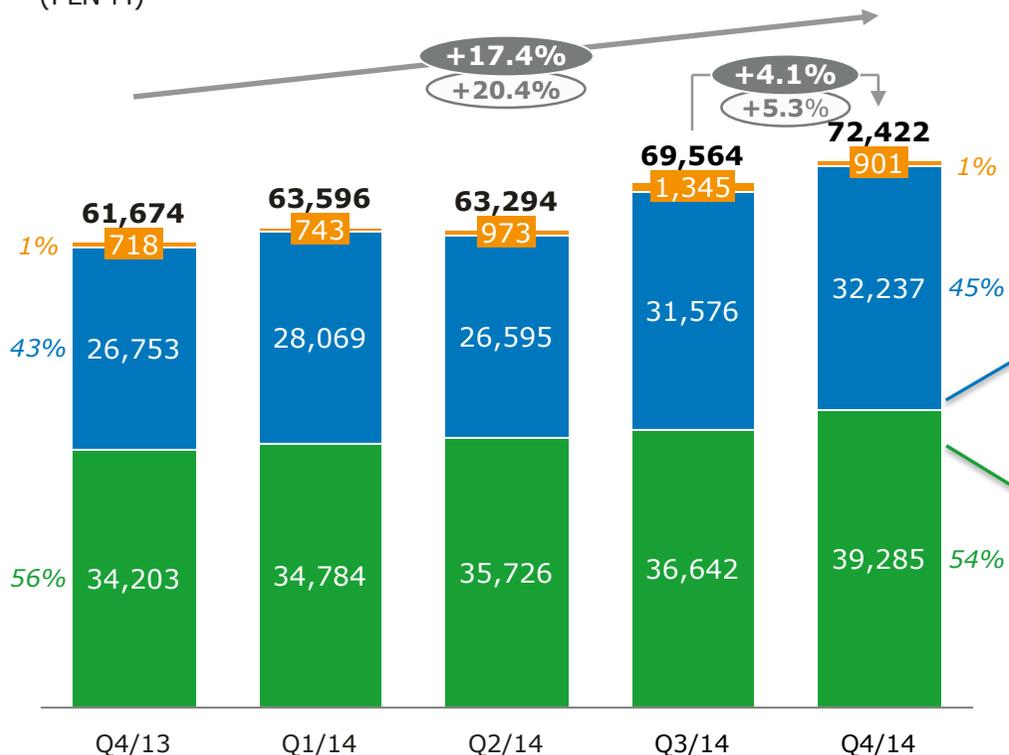


Analysis of Q4/14 in mBank Group

Development of Deposits

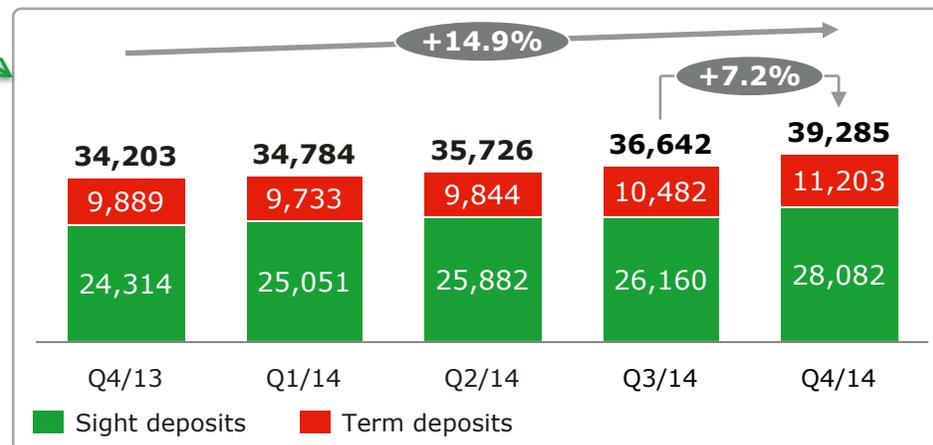
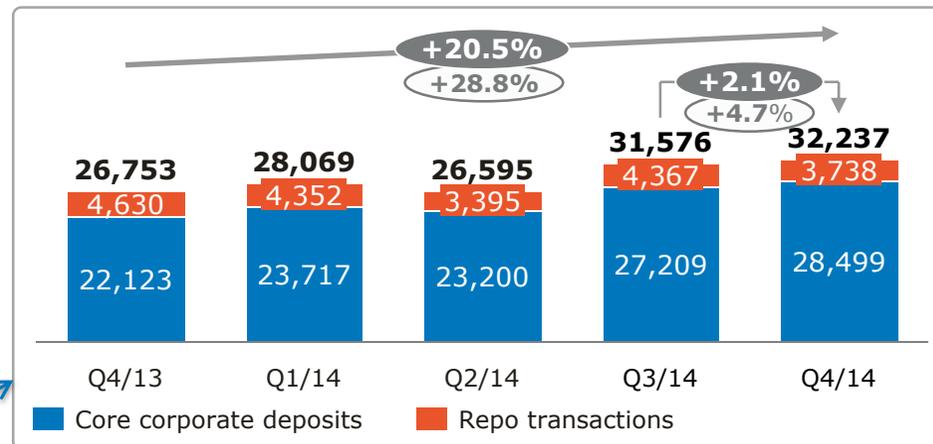
Accelerating balances on current and savings accounts

Development of Amounts due to Customers (PLN M)



- Individual clients
- Corporate clients
- Public sector

+X.X% Excluding Repo transactions

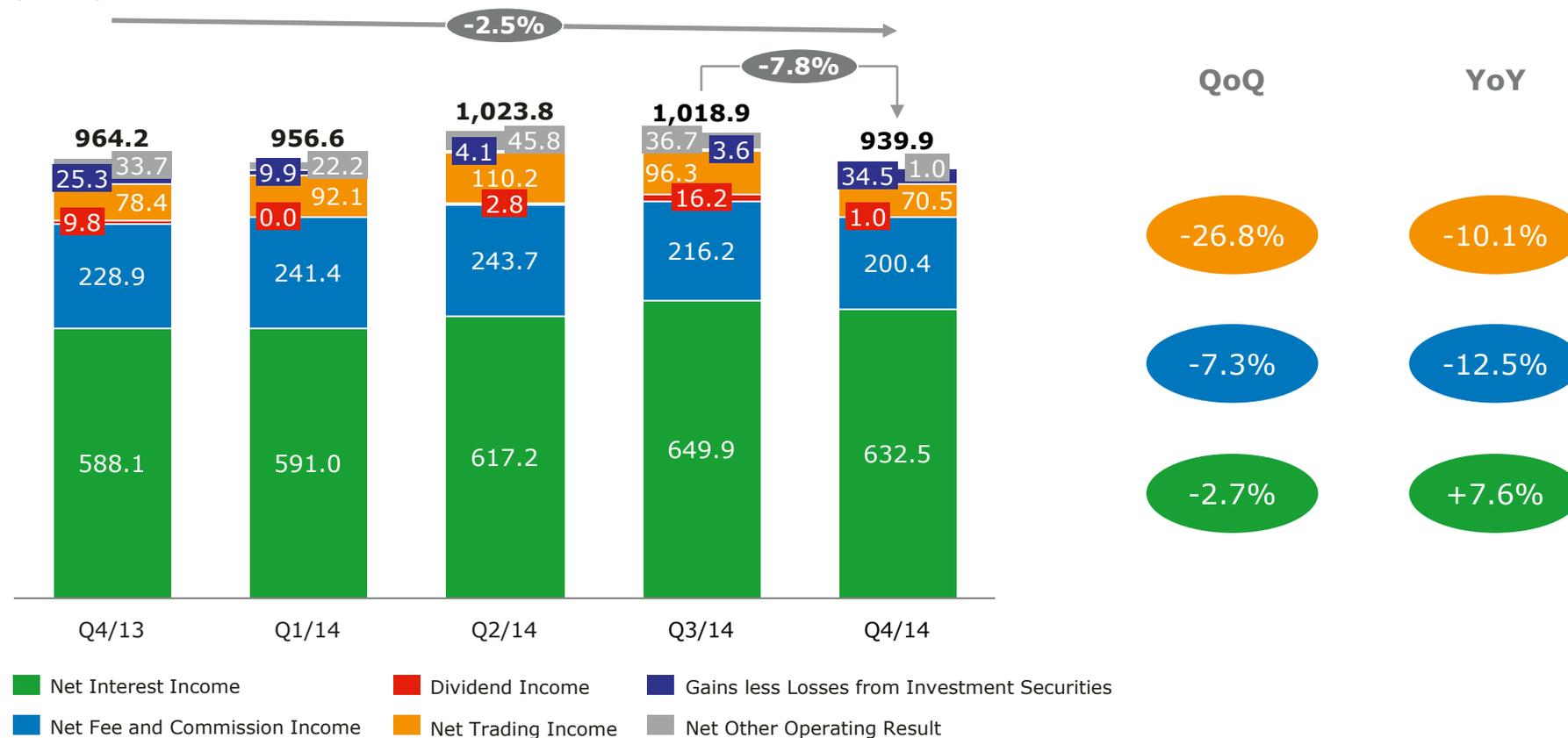


Analysis of Q4/14 in mBank Group

Income of mBank Group

Solid core revenues despite interest rate and interchange cuts

Development of mBank Group's Income (PLN M)

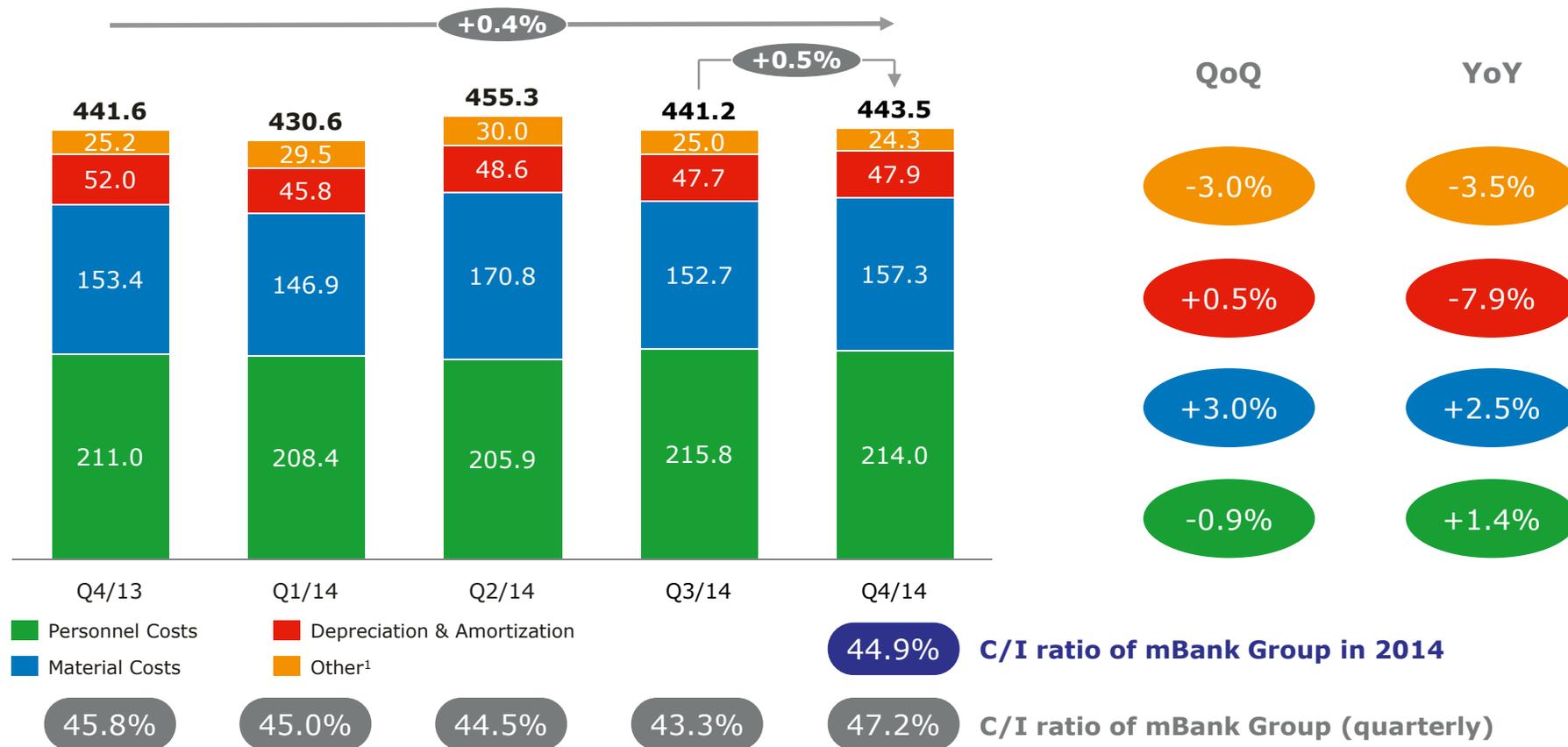


Analysis of Q4/14 in mBank Group

Costs of mBank Group

Structural cost advantage resulting in best-in-class efficiency

Development of mBank Group's Costs (PLN M)



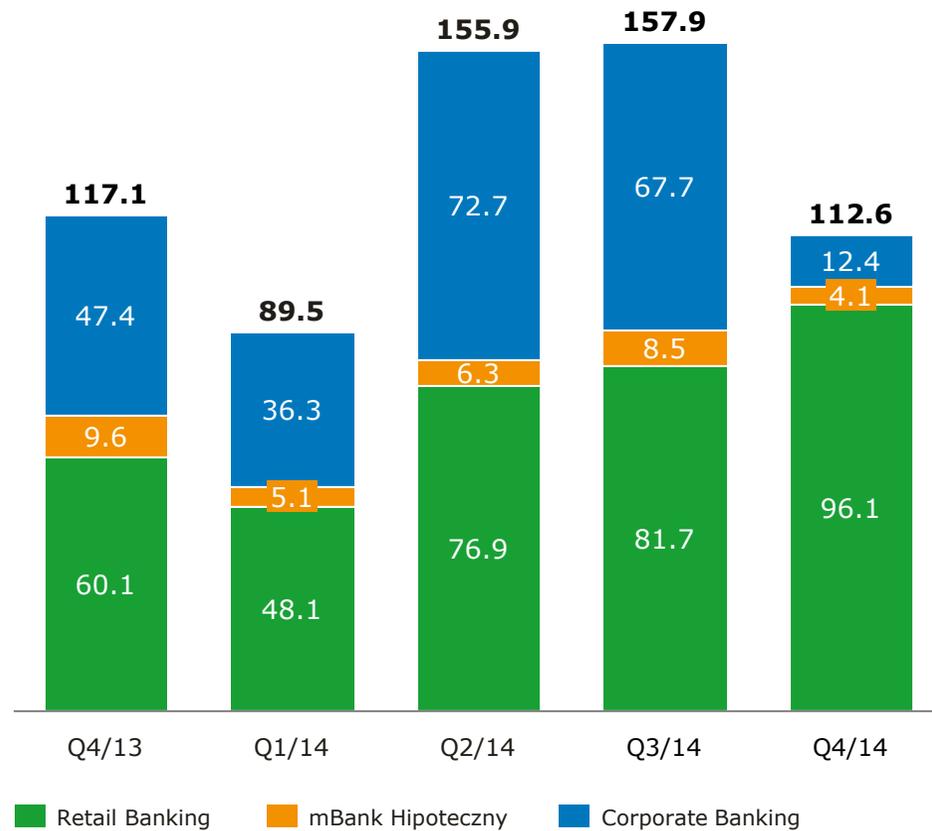
¹ incl. Taxes and fees, Contributions and transfers to the Bank Guarantee Fund, Contributions to the Social Benefits Fund

Analysis of Q4/14 in mBank Group

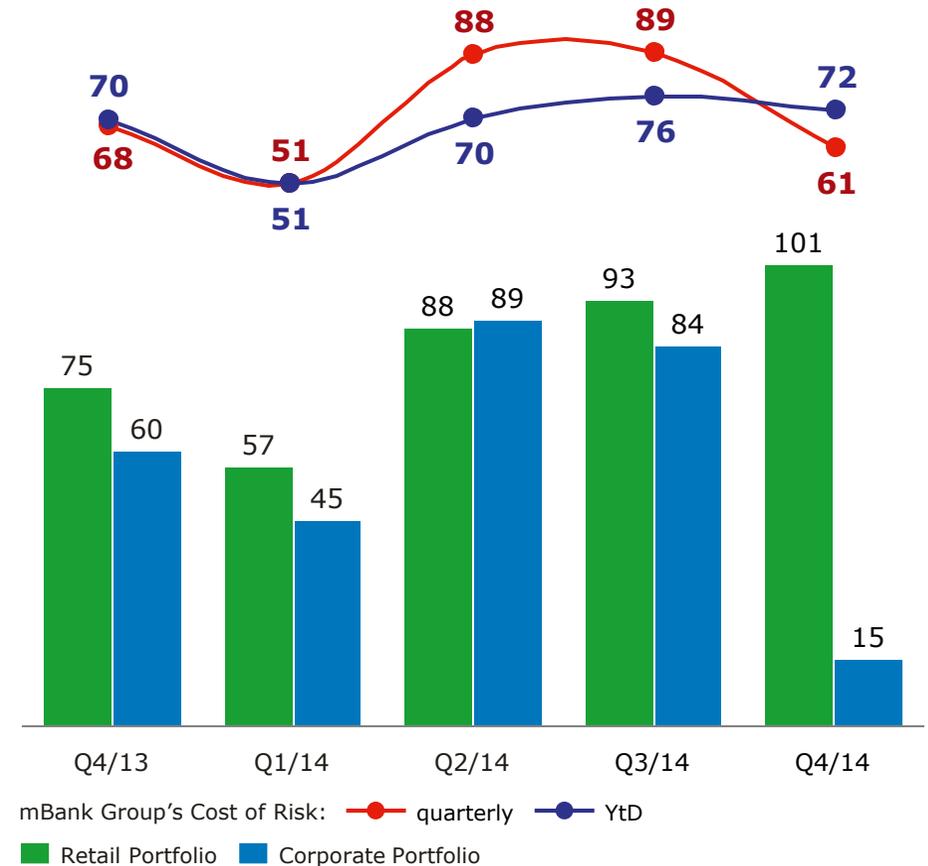
Loan Loss Provisions & Risk Costs

Cost of risk in line with previous guidance

Net Impairment Losses on Loans and Advances
(PLN M)



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

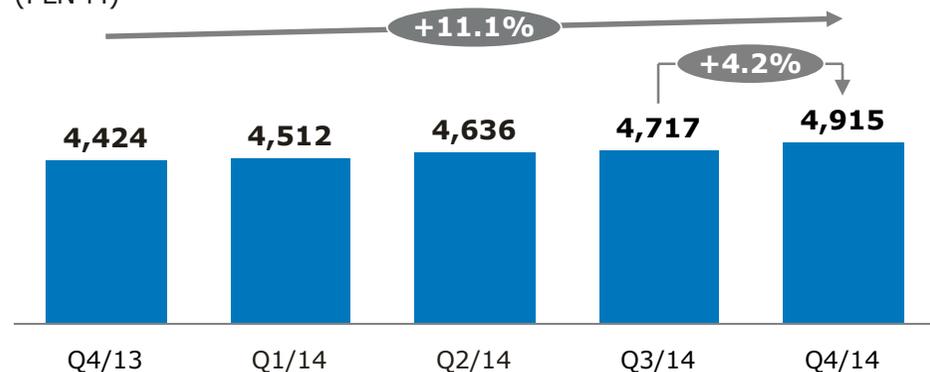


Analysis of Q4/14 in mBank Group

Loan Portfolio Quality

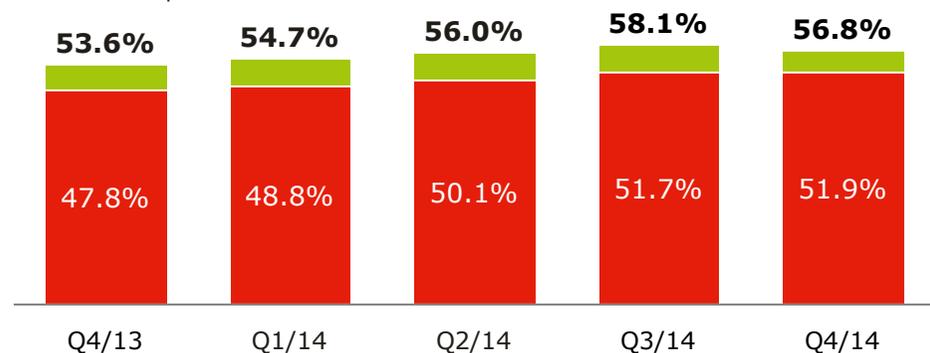
Risk indicators reflecting conservative methodology

mBank Group's Impaired Loans Portfolio (PLN M)



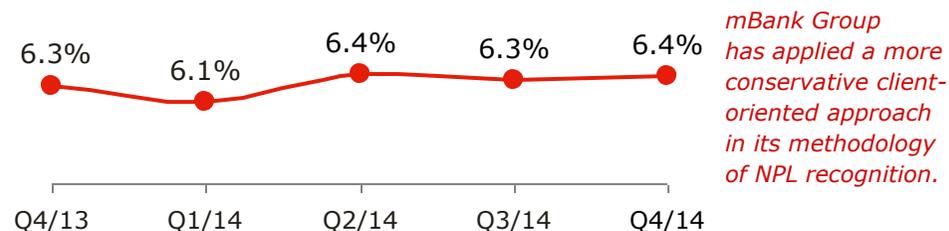
mBank Group's Coverage Ratio

■ incl. IBNR provisions

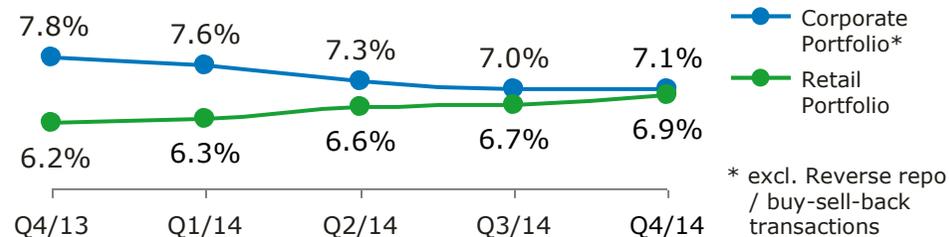


Note: Since Q4/13 a modified methodology of NPL recognition in retail area has been applied.

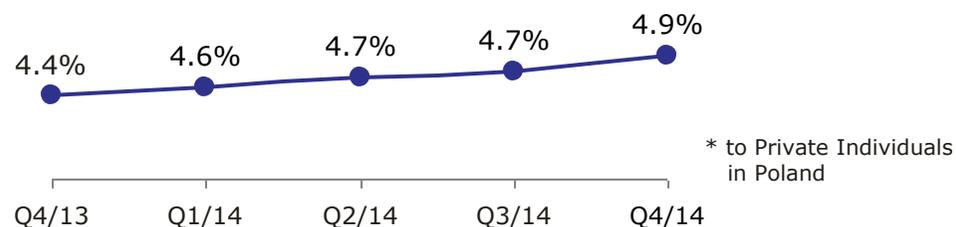
mBank Group's NPL Ratio



mBank Group's NPL Ratio by segment



NPL Ratio of Mortgage Loan Portfolio*

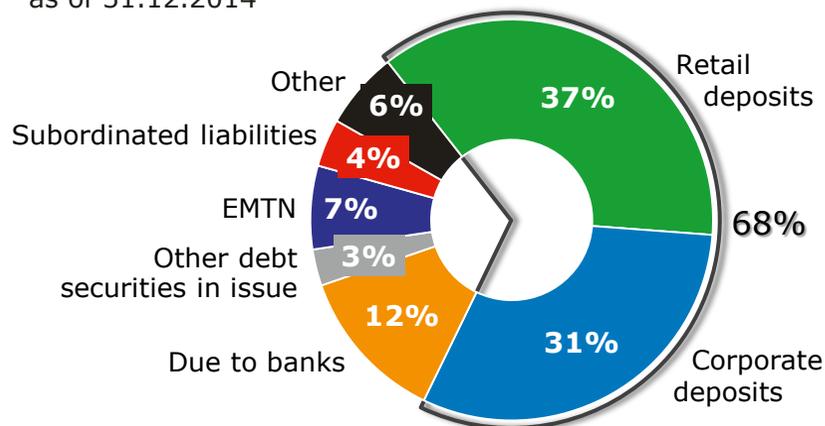


Analysis of Q4/14 in mBank Group

Funding Structure Details

Further diversification of funding base and improving liquidity levels

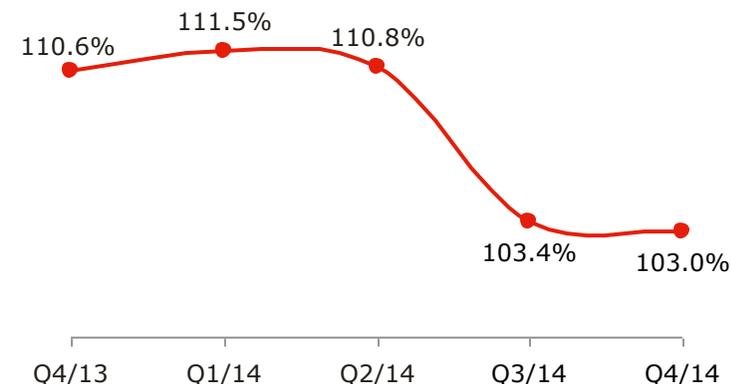
mBank Group's funding structure as of 31.12.2014



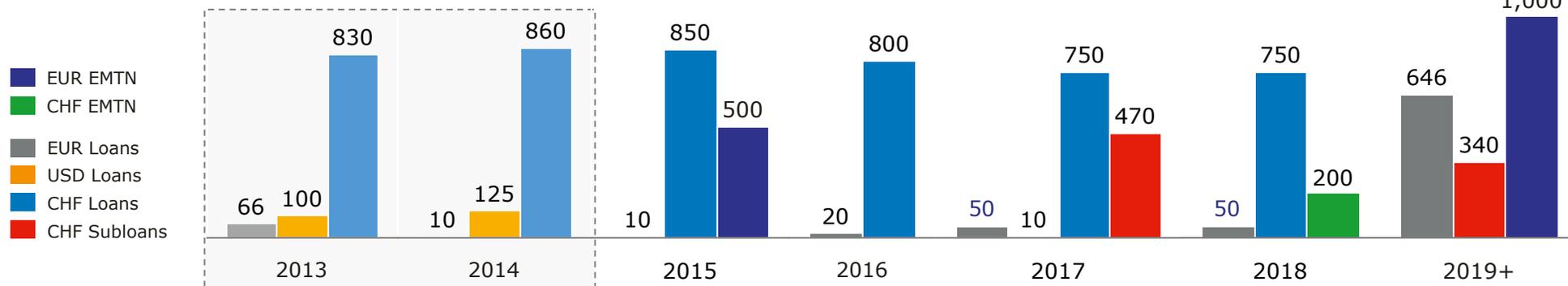
mBank's ratings

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

Loan to Deposit Ratio



Maturity of long-term funding instruments in original currencies as of 31.12.2014 (LC in million)

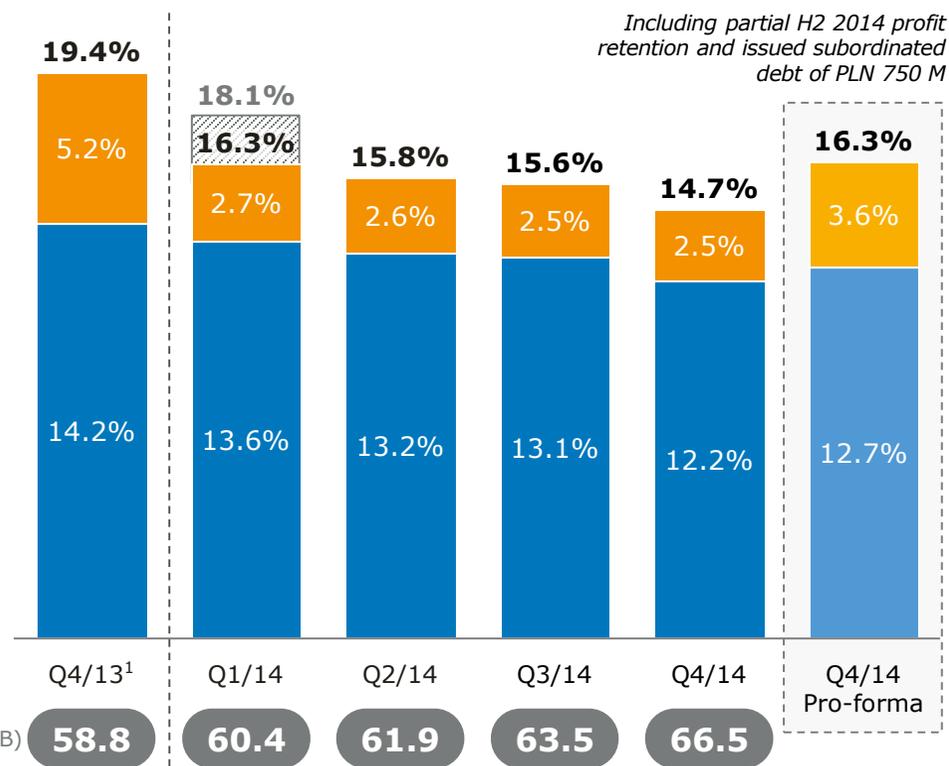


Analysis of Q4/14 in mBank Group

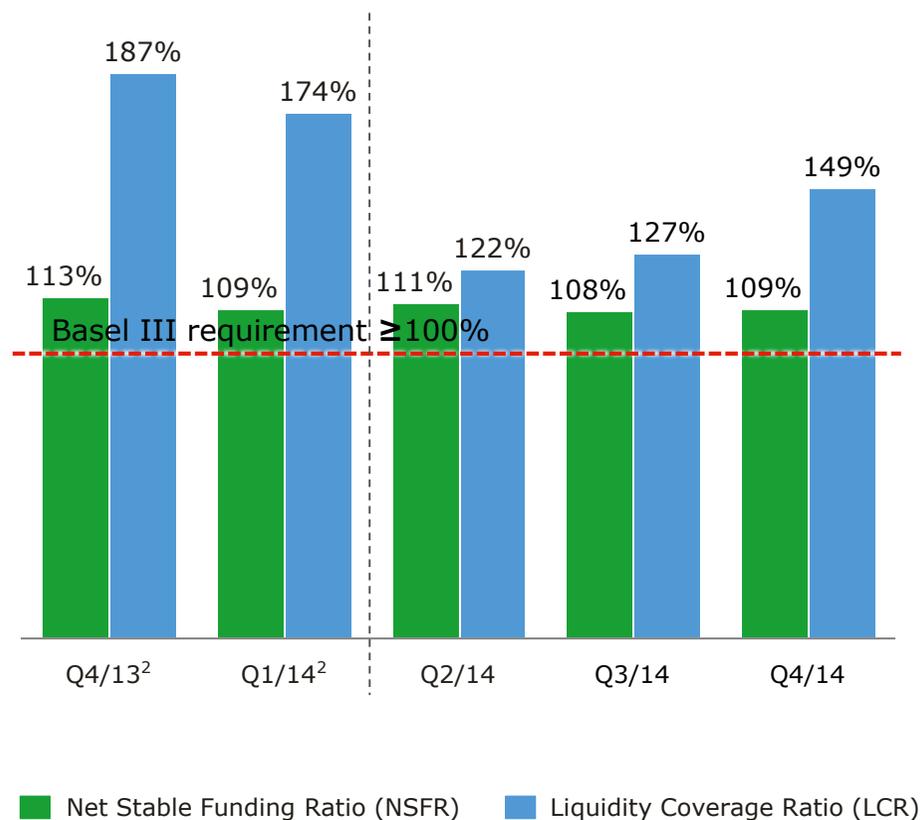
Key Regulatory Ratios

Strong capital ratios above regulatory requirements

mBank Group's Capital Adequacy Ratio / Total Capital Ratio



mBank's NSFR and LCR



■ Core Tier 1 / CET 1 ■ Tier 2 ● xx.x Total risk exposure amount

▨ Change in CAR to reflect the Basel III regulatory framework

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

mBank Group in 2014

Summary of Q4/14 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate business

Analysis of Q4/14 Results

Development of Loans and Deposits

Development of Income and Costs

Loan Portfolio Quality

Funding Structure Details

Capital and Liquidity Ratios



Macroeconomic Update

Appendix

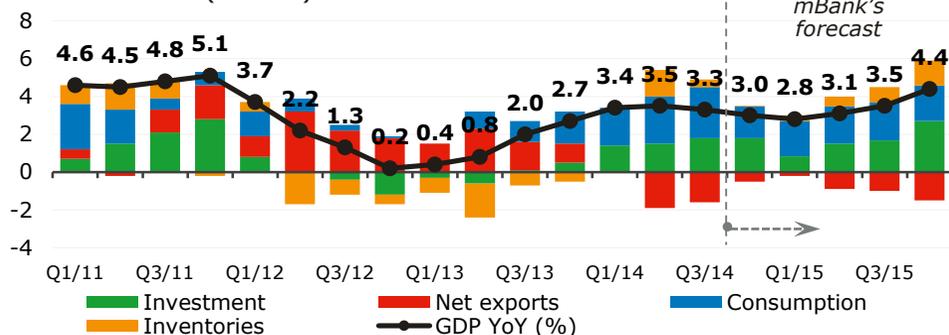
Additional Information: Selected Financial Data

Detailed Results of Business Lines

Macroeconomic Update (1/2)

Record low inflation. Economic growth remains modest.

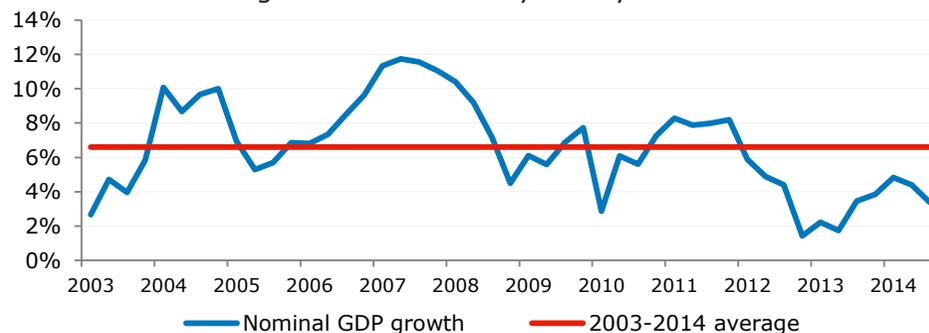
GDP forecast (% YoY)



- Growth to remain subdued in H1/15 (neutral momentum, multiple downside risks), H2/15 should bring re-acceleration on stronger consumption and public investment as new wave of EU funds kicks in.

Source: GUS, NBP

Nominal YoY GDP growth remains very low by historical standards



- The nominal sphere is still very weak which impacts incomes, earnings, tax receipts and credit conditions. Banks are operating in an unfavourable environment.

Source: GUS, NBP

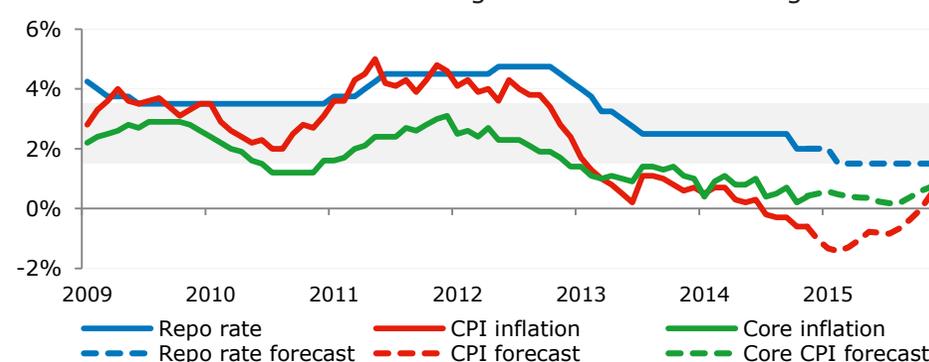
Bright spots in 2015: consumption, public investment



- 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



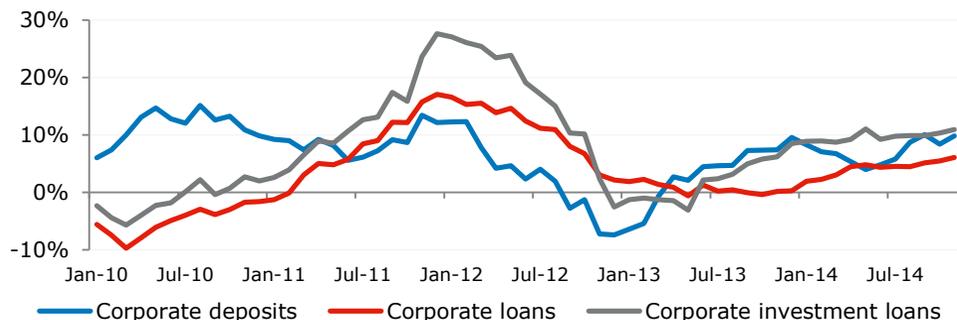
- Disinflation is broad-based and persistent, CPI to bottom at -1.5%. With growth slowing, this will be sufficient for MPC to continue cutting, most likely in March. 1.5% is the target on rates.

Source: GUS

Macroeconomic Update (2/2)

Strong growth in corporate loans, cautious borrowing by households

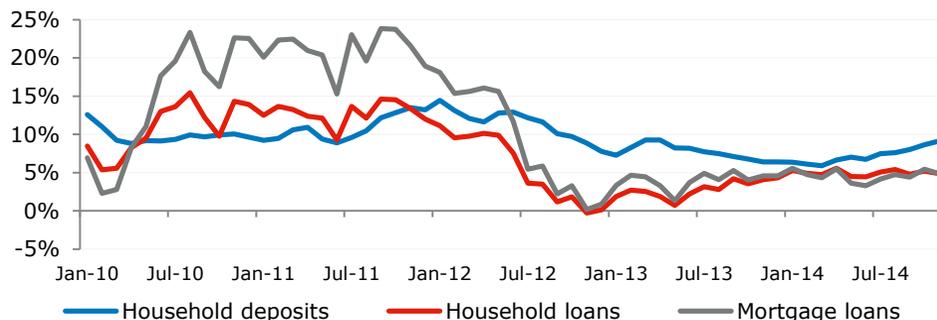
Corporate loans and deposits (% YoY)



- Corporate deposits accelerated, in part 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

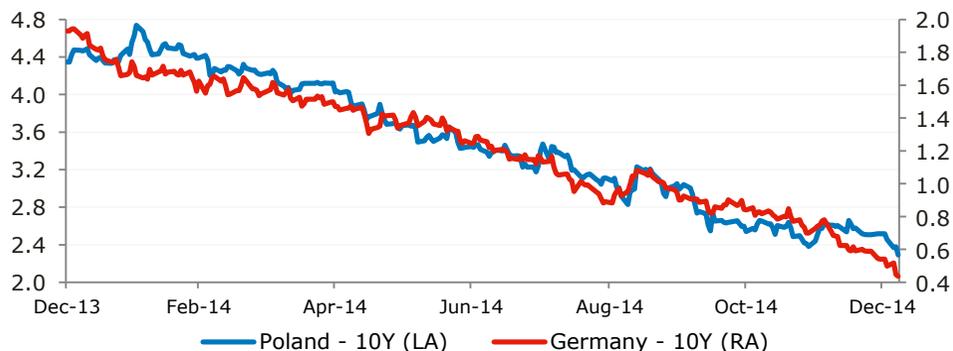
Household loans and deposits (% YoY)



- Household deposits growing robustly as alternatives are not that attractive anymore. Cautious borrowing on households' side continues. No breakthrough in mortgage loans.

Source: NBP

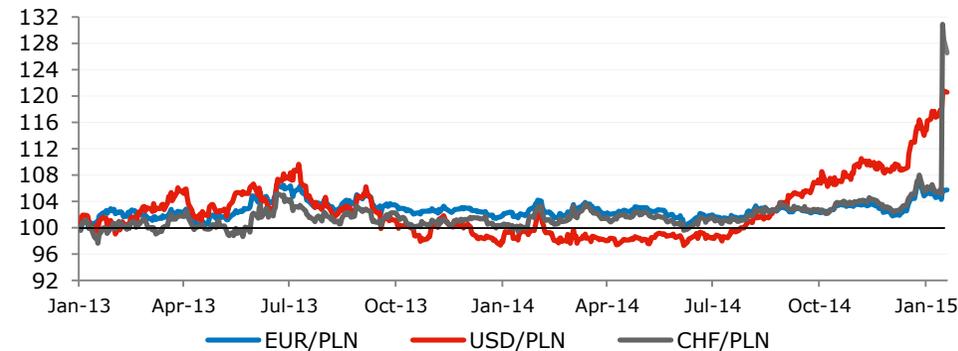
Polish and German 10Y bond yields (YTD, %)



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

Source: Bloomberg

PLN significantly weaker at the turn of the year



- CHF/PLN exchange rate jumped by 25% after the EUR/CHF floor was removed. The damage to borrowers will be significant but not fatal – estimated at 0.2% of GDP.

Source: Bloomberg

2015 in forecasts and the impact on mBank Group

Macroeconomic environment and challenges for the banking sector

Key economic indicators

	2013	2014	2015F
GDP growth (YoY)	1.7%	3.3%	3.5%
Domestic demand (YoY)	0.2%	4.6%	4.7%
Private consumption (YoY)	1.1%	3.0%	3.1%
Investment (YoY)	0.9%	9.4%	7.4%
Inflation (eop)	0.7%	-1.0%	1.0%
MPC rate (eop)	2.50	2.00	1.50
CHF/PLN (eop)	3.39	3.57	4.10
EUR/PLN (eop)	4.15	4.29	4.10

Banking sector – monetary aggregates YoY

	2013	2014	2015F
Corporate loans	0.2%	6.3%	7.7%
Mortgage loans	4.6%	6.0%	8.2%
Non-mortgage loans	3.9%	5.0%	7.9%
Corporate deposits	9.6%	9.0%	11.1%
Retail deposits	6.4%	10.4%	9.3%

Source: mBank's estimates as of January 30, 2015.

Impact on mBank

Net interest income & NIM (Slightly negative) 

- Expected MPC decision on reduction of interest rates
- Growing credit demand thanks to higher loan affordability
- Limited room for deposit re-pricing

Net Fee & Commission income (Negative) 

- Negative impact of further interchange fees cuts, but:
 - Dynamic customer acquisitions
 - Partially compensated by continued growth in transactionality in both retail and corporate segment

Total costs (Negative) 

- Higher contribution to the Bank Guarantee Fund
- Reasonable expenses supporting strategic investments

Loan Loss Provisions (Neutral) 

- Uncertainty related to FX mortgage portfolio resulted from strong CHF appreciation
- Solid macroeconomic situation and low unemployment

Agenda

mBank Group in 2014

Summary of Q4/14 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate business

Analysis of Q4/14 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	34
Consolidated Statement of Financial Position	35
mBank Group's Ratios	36
mBank Group's Historical Performance	37-39
Net Interest Income & Margin	40
Fee and Commission Income	41
Trading and Other Income	42
Balance Sheet Analysis: Assets & Liabilities	43
Balance Sheet Analysis: Currency structure	44
Balance Sheet Analysis: Structure of loans and deposits	45
Balance Sheet Analysis: Loan portfolio structure	46
Balance Sheet analysis: Development of Capital Ratios	47
mBank's EMTN Programme: Transaction Summary	48
Issuance Activity on the Covered Bonds Market	49

Detailed Results of the Business Lines	Page No.
Retail Banking	50-55
Summary of Q4/14: Financial Results and Volumes	51-52
Mortgage Loans: Portfolio Structure & Key parameters	53
mBank in the Czech Republic and Slovakia	54-55
Corporates & Financial Markets	56-59
Summary of Q4/14: Financial Results and Volumes	57-58
Financial Markets Activity: Market Shares	59
mBank Group's Subsidiaries	60-65
Results of Consolidated Companies	61
mBank Hipoteczny (mBH)	62
Leasing and Factoring	63
Dom Maklerski mBanku (mDM)	64
BRE Ubezpieczenia (BRE Insurance)	65
Share price performance in 2014	66
Awards and distinctions in 2014	67
mBank Analyzer	68
Contact Details	69

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.)	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14
Net interest income	588,096	591,014	617,232	649,880	632,532
Net fee and commission income	228,904	241,406	243,685	216,234	200,365
Dividend income	9,779	0	2,811	16,195	986
Net trading income	78,438	92,118	110,202	96,324	70,512
<i>incl. FX result</i>	<i>67,387</i>	<i>65,151</i>	<i>69,742</i>	<i>53,539</i>	<i>44,616</i>
Gains less losses from investment securities	25,276	9,845	4,041	3,545	34,495
Net other operating income	33,745	22,237	45,793	36,699	1,017
Total income	964,238	956,620	1,023,764	1,018,877	939,907
Total operating costs	(441,636)	(430,617)	(455,277)	(441,203)	(443,468)
<i>Overhead costs</i>	<i>(389,605)</i>	<i>(384,785)</i>	<i>(406,665)</i>	<i>(393,523)</i>	<i>(395,570)</i>
<i>Depreciation & Amortisation</i>	<i>(52,031)</i>	<i>(45,832)</i>	<i>(48,612)</i>	<i>(47,680)</i>	<i>(47,898)</i>
Loan loss provisions	(117,080)	(89,487)	(155,860)	(157,917)	(112,639)
Profit before tax	405,522	436,516	412,627	419,757	383,800
Net profit attributable to owners of mBank	314,200	337,770	324,827	315,454	308,617

Appendix

Additional Information: Selected Financial Data Consolidated Statement of Financial Position



Summary

Historical view

Profit & Loss

Balance Sheet

Business Lines

Subsidiaries

Assets (PLN thou.)	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14
Cash and balances with Central Bank	1 650 467	2 089 199	1 418 016	4 176 981	3 054 549
Loans and advances to banks	3 471 241	1 500 011	4 933 231	3 721 009	3 751 415
Trading securities	763 064	1 180 071	2 812 471	2 637 559	1 163 944
Derivative financial instruments	2 349 585	2 216 630	3 017 875	4 073 025	4 865 517
Loans and advances to customers	68 210 385	70 923 030	70 137 177	71 958 401	74 582 350
Investment securities	25 341 763	26 605 235	27 128 055	28 154 394	27 678 614
Intangible assets	455 345	431 959	460 135	448 246	465 626
Tangible fixed assets	709 552	705 955	710 505	700 870	717 377
Other assets	1 331 359	1 491 167	1 329 980	1 456 810	1 706 430
Total assets	104 282 761	107 143 257	111 947 445	117 327 295	117 985 822
Liabilities (PLN thou.)	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14
Amounts due to other banks	19 224 182	19 481 097	22 297 031	19 777 664	13 383 829
Derivative financial instruments	2 459 715	2 120 892	2 915 003	3 969 956	4 719 056
Amounts due to customers	61 673 527	63 596 439	63 293 721	69 563 534	72 422 479
Debt securities in issue	5 402 056	5 658 722	7 696 154	8 009 714	10 341 742
Subordinated liabilities	3 762 757	3 453 003	3 278 869	3 312 935	4 127 724
Other liabilities	1 504 086	2 966 900	2 147 252	1 913 576	1 918 012
Total liabilities	94 026 323	97 277 053	101 628 030	106 547 379	106 912 842
Total equity	10 256 438	9 866 204	10 319 415	10 779 916	11 072 980
Total equity and liabilities	104 282 761	107 143 257	111 947 445	117 327 295	117 985 822

Appendix

Additional Information: Selected Financial Data mBank Group's Ratios

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Financial Ratios	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14
Net Interest Margin (<i>quarterly</i>)	2.31%	2.30%	2.30%	2.32%	2.27%
Net Interest Margin YtD	2.21%	2.30%	2.30%	2.31%	2.30%
Net Interest Margin YtD (excl. CHF portfolio)	2.64%	2.73%	2.72%	2.72%	2.70%
Cost to Income Ratio (<i>quarterly</i>)	45.8%	45.0%	44.5%	43.3%	47.2%
Cost to Income Ratio YtD	45.7%	45.0%	44.7%	44.2%	44.9%
Cost of Risk (<i>quarterly</i>)	0.68%	0.51%	0.88%	0.89%	0.61%
Cost of Risk YtD	0.70%	0.51%	0.70%	0.76%	0.72%
ROE net (<i>quarterly</i>)	13.75%	13.74%	13.55%	12.84%	12.43%
ROE net YtD	13.10%	13.74%	13.64%	13.37%	13.13%
ROA net YtD	1.14%	1.26%	1.21%	1.16%	1.13%
Loans to Deposits	110.6%	111.5%	110.8%	103.4%	103.0%
Capital Adequacy Ratio / Total Capital Ratio ¹	19.38%	16.26%	15.79%	15.57%	14.66%
Core Tier 1 / Common Equity Tier 1 ¹	14.21%	13.58%	13.20%	13.05%	12.24%
Equity / Assets	9.8%	9.2%	9.2%	9.2%	9.4%
RWA / Assets	56.4%	56.4%	55.3%	54.2%	56.2%
NPL ratio ²	6.3%	6.1%	6.4%	6.3%	6.4%
NPL coverage ratio ²	47.8%	48.8%	50.1%	51.7%	51.9%
NPL coverage ratio incl. general provisions ²	53.6%	54.7%	56.0%	58.1%	56.8%

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

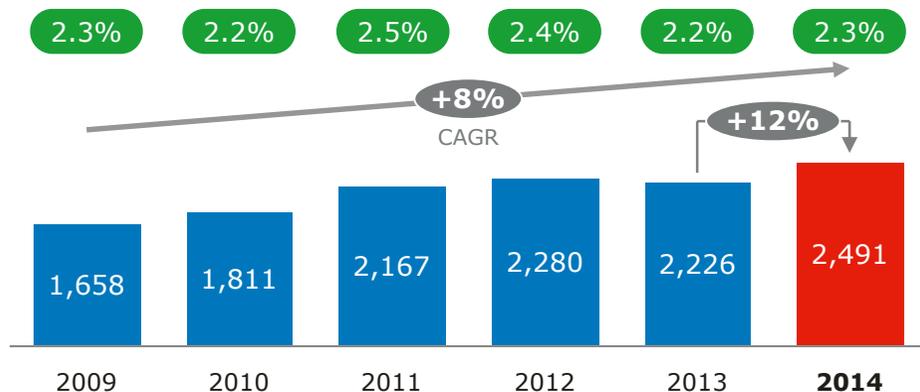
Appendix

mBank Group's historical performance (1/3)

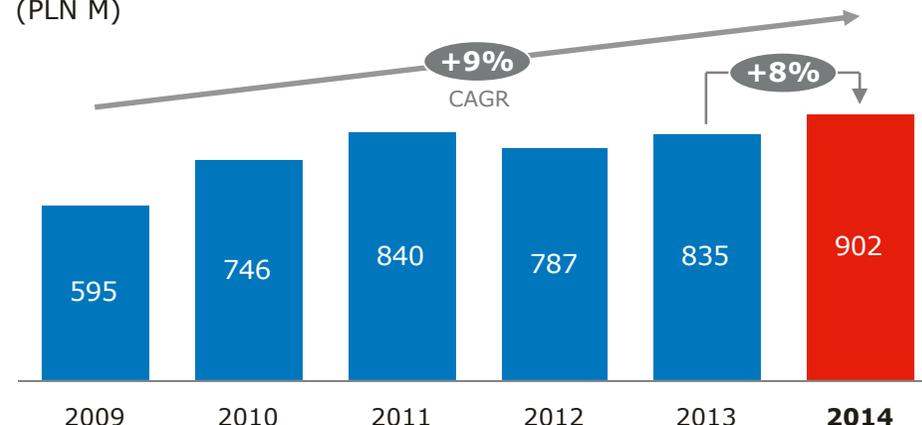


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

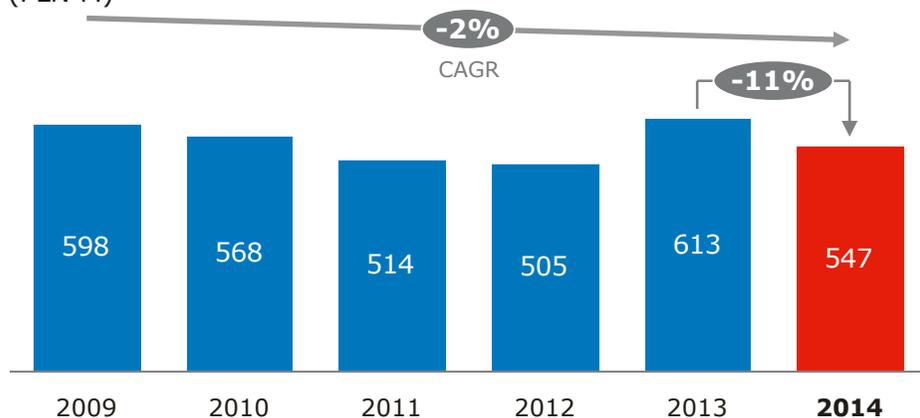
Net Interest Income & NIM (PLN M)



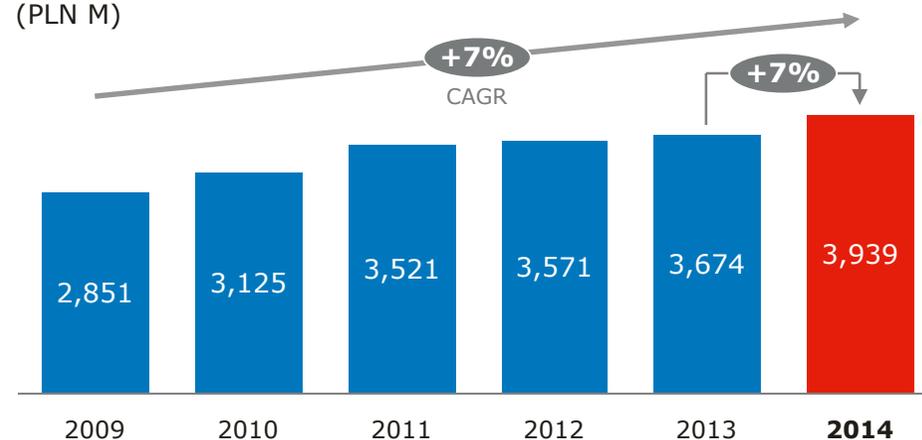
Net Fee and Commission Income (PLN M)



Trading and Other Income (PLN M)



Total Income (PLN M)



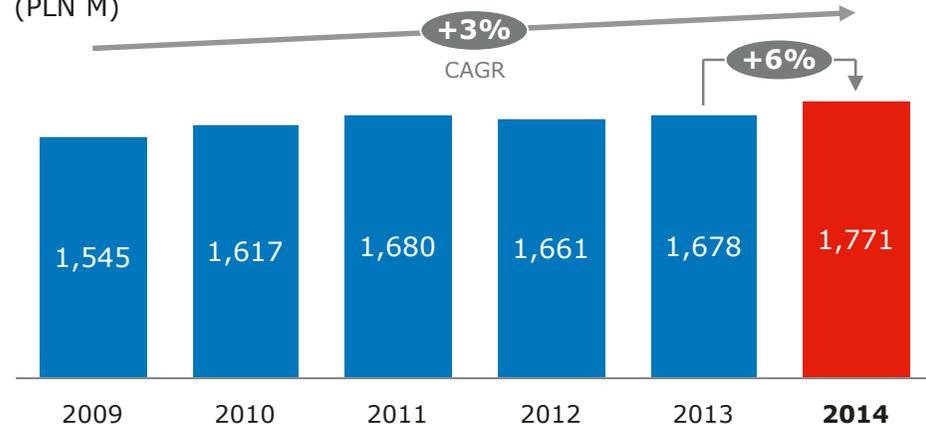
Appendix

mBank Group's historical performance (2/3)

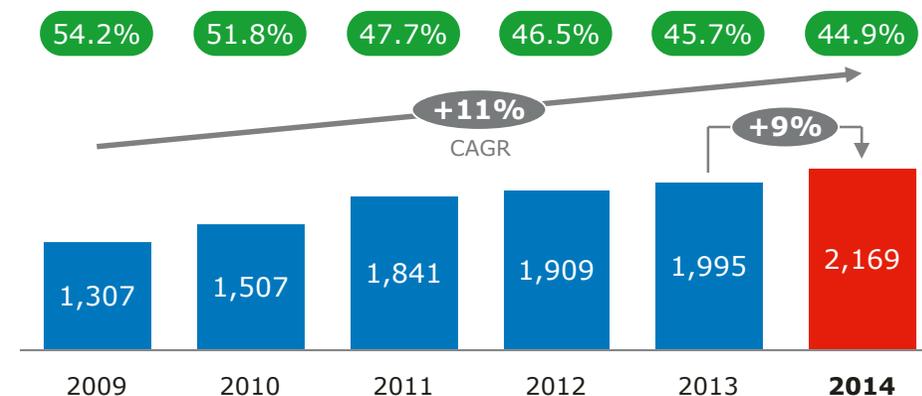


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

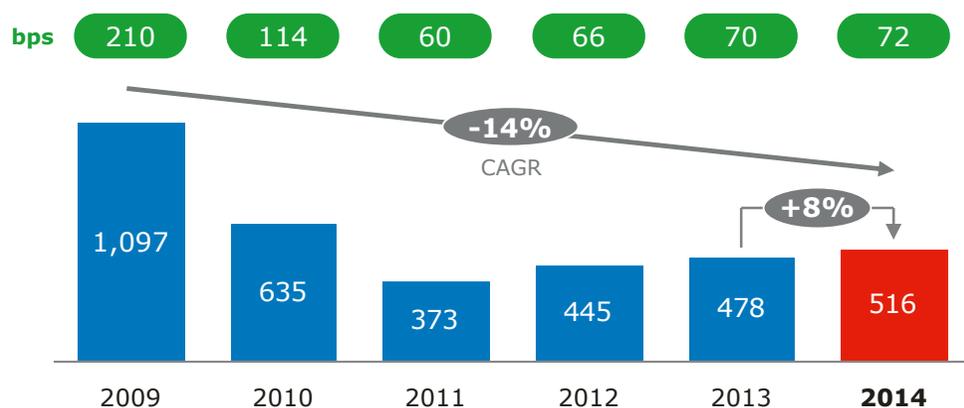
Operating Costs (PLN M)



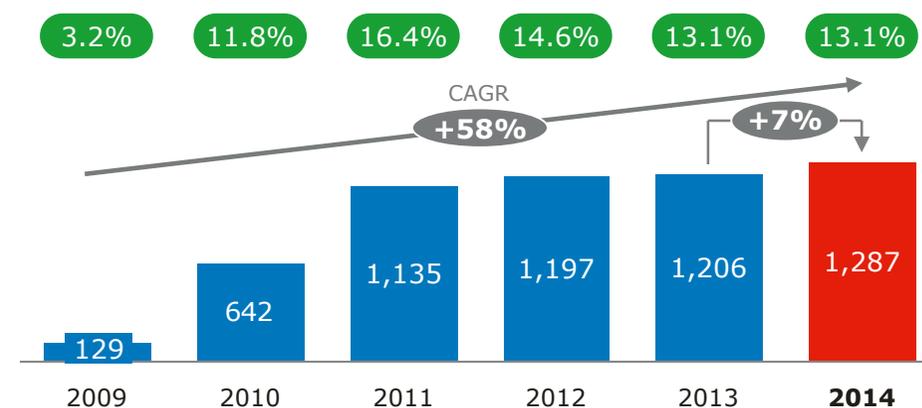
Pre-provision Income & C/I ratio (PLN M)



Loan Loss Provisions & Cost of Risk (PLN M)



Net Profit & Return on Equity (PLN M)



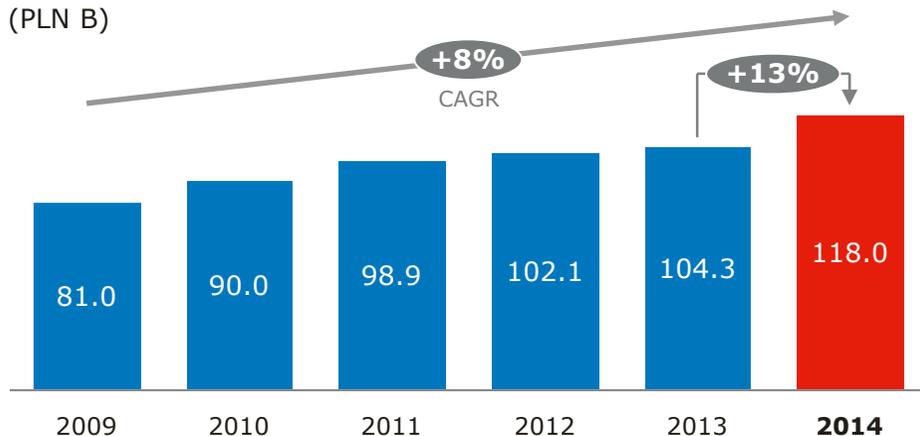
Appendix

mBank Group's historical performance (3/3)

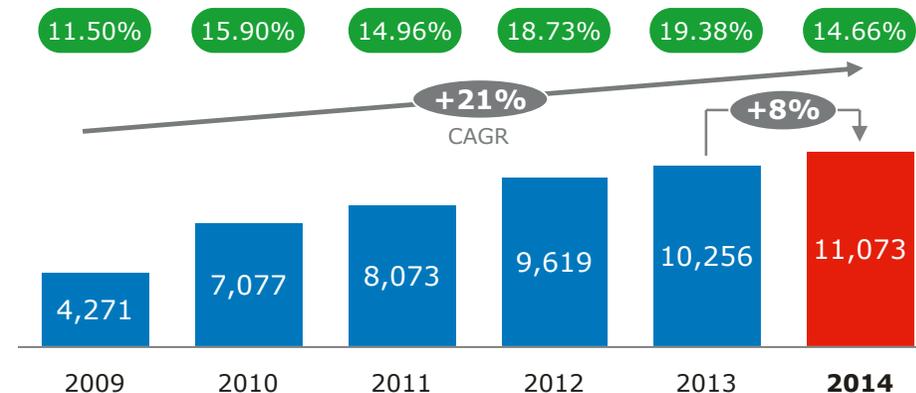


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

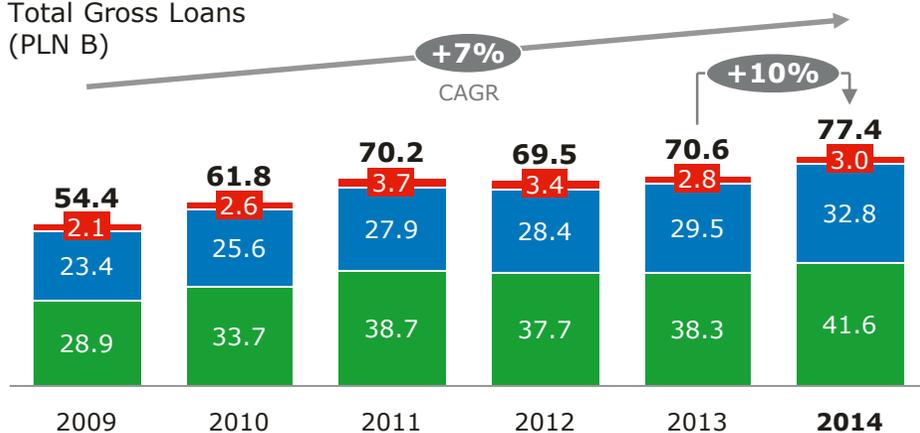
Total Assets
(PLN B)



Equity & CAR
(PLN M)

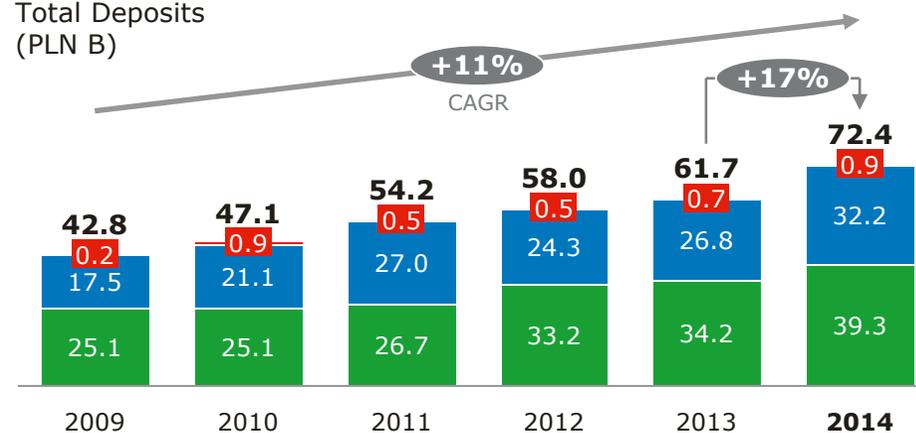


Total Gross Loans
(PLN B)



Individual clients Corporate clients Public sector and other

Total Deposits
(PLN B)



Individual clients Corporate clients Public sector

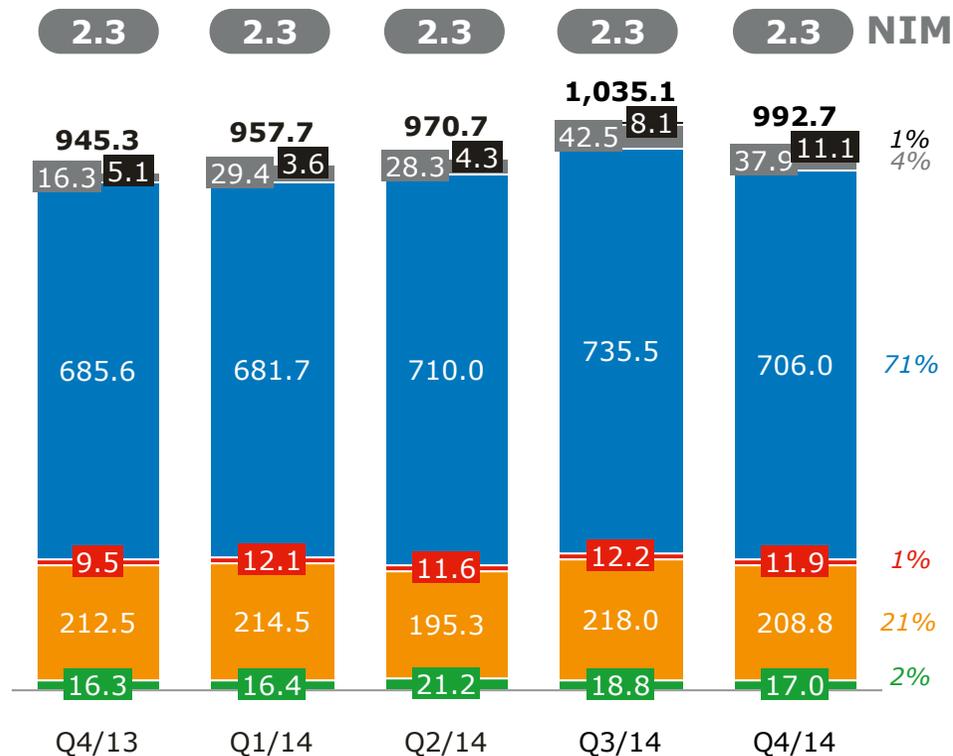
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Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

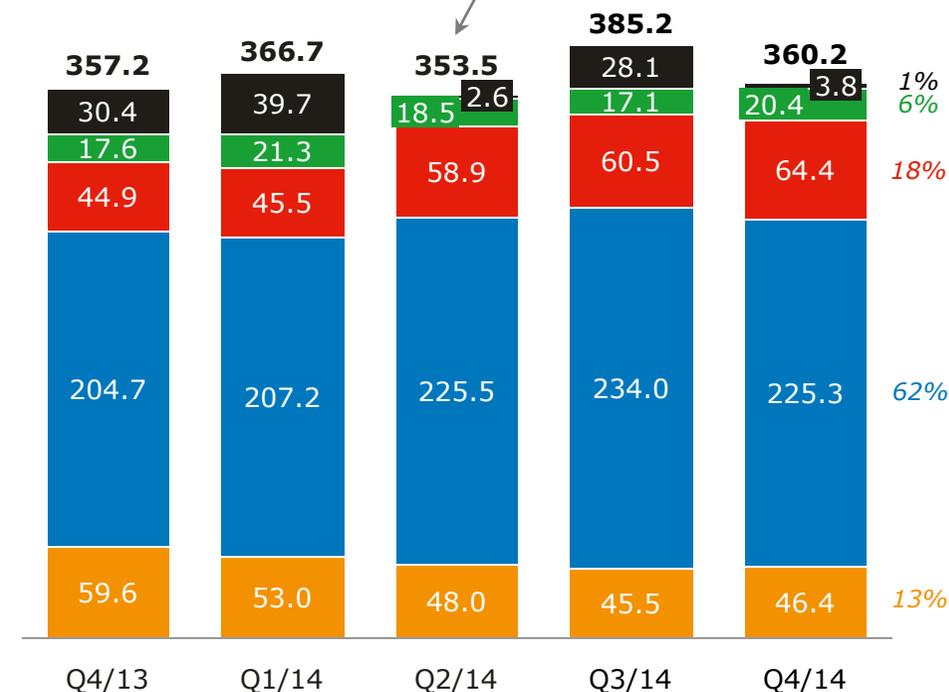
Additional Information: Selected Financial Data Net Interest Income & Margin

Interest Income Structure
(PLN M)



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

Interest Expense Structure
(PLN M)



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

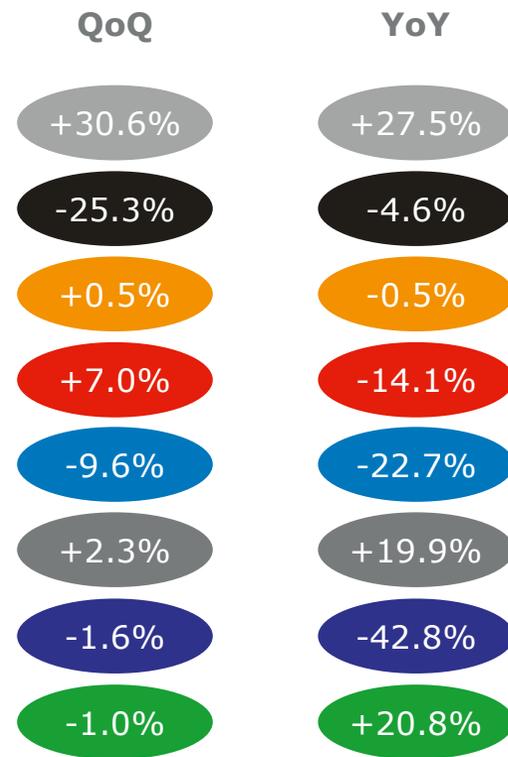
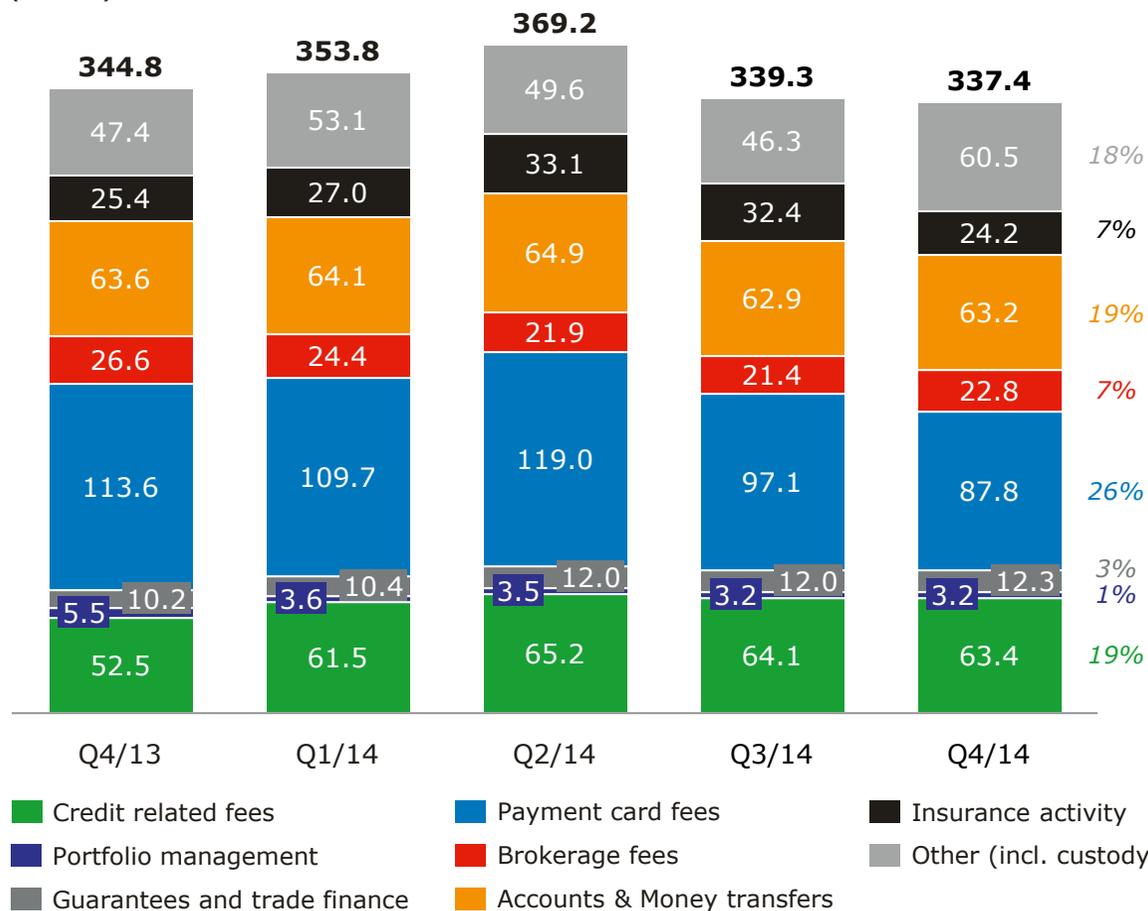
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Additional Information: Selected Financial Data Fee and Commission Income



Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Fee and Commission Income Structure
(PLN M)



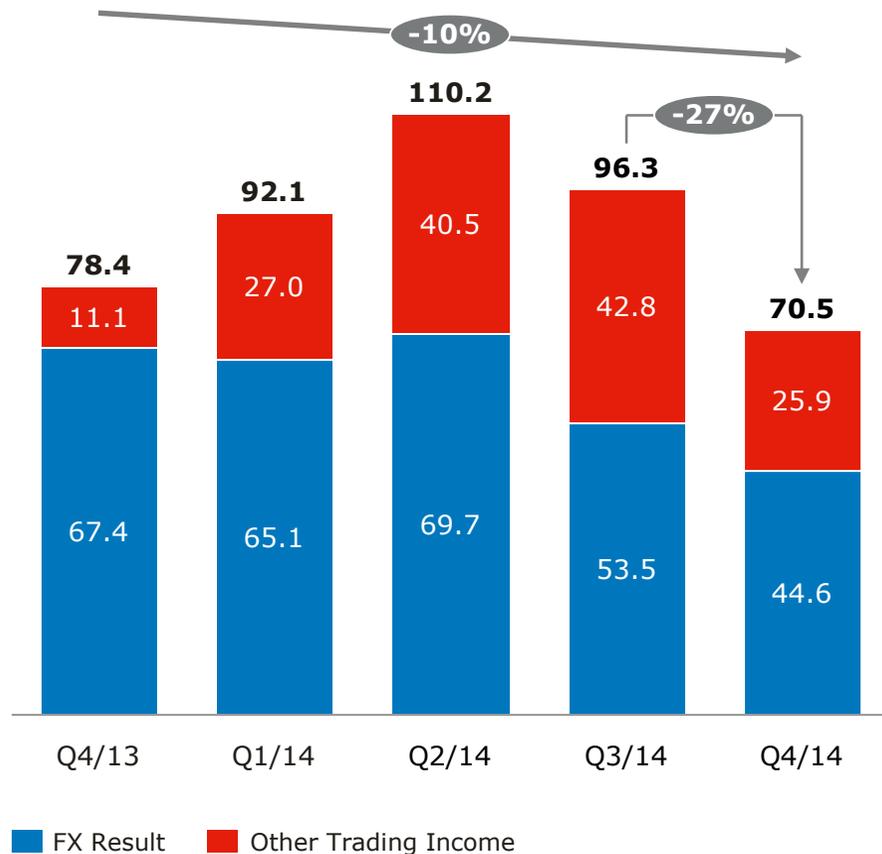
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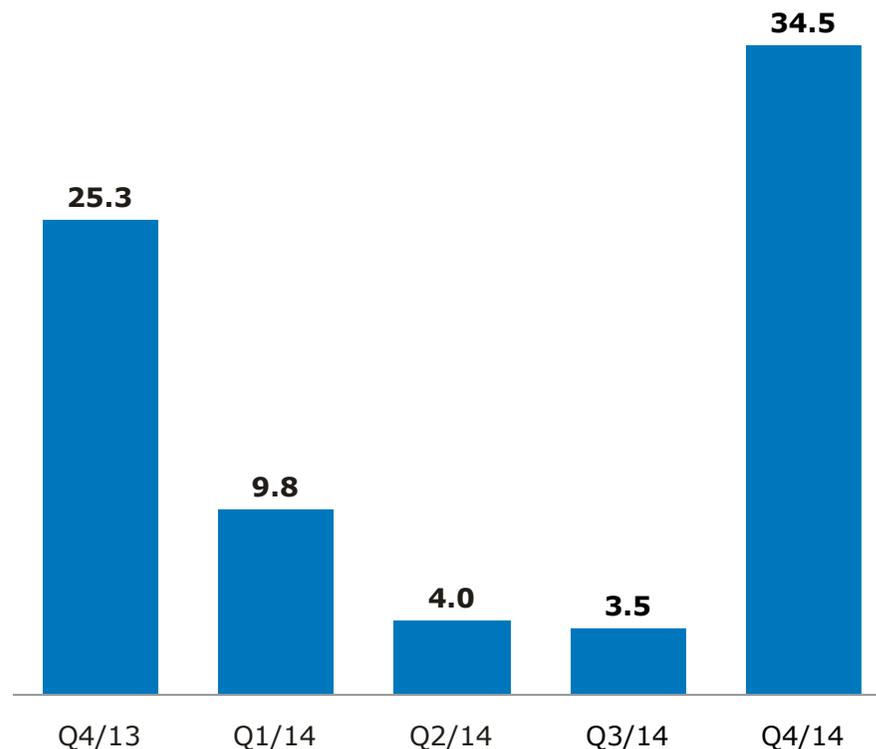
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Additional Information: Selected Financial Data Trading and Other Income

Net Trading Income Structure
(PLN M)



Gains less Losses from Investment Securities
(PLN M)



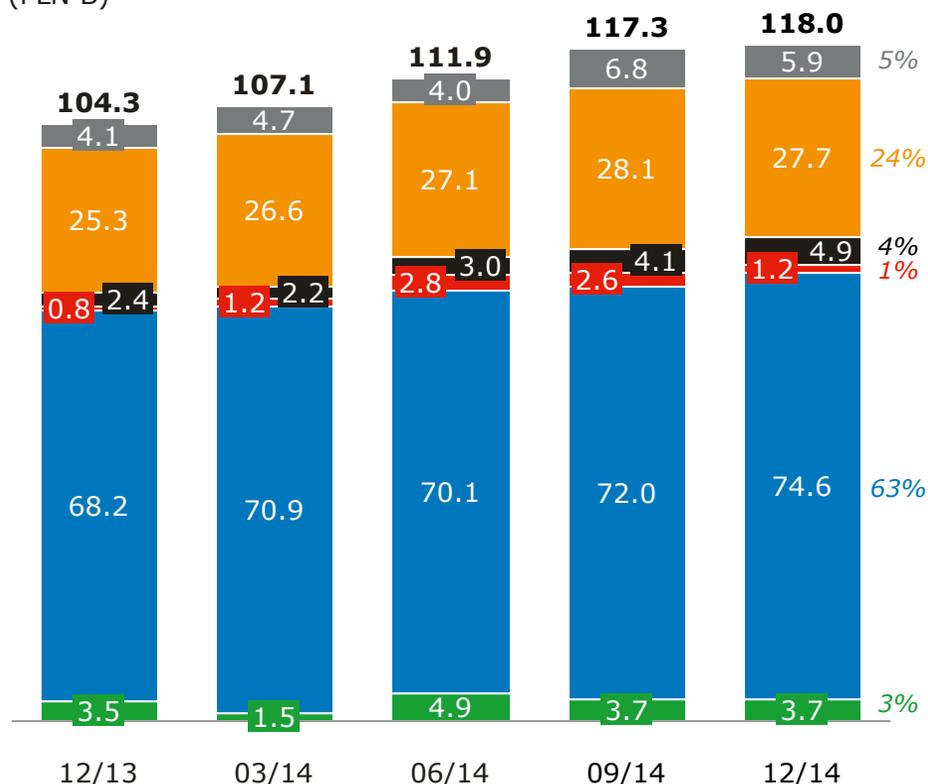
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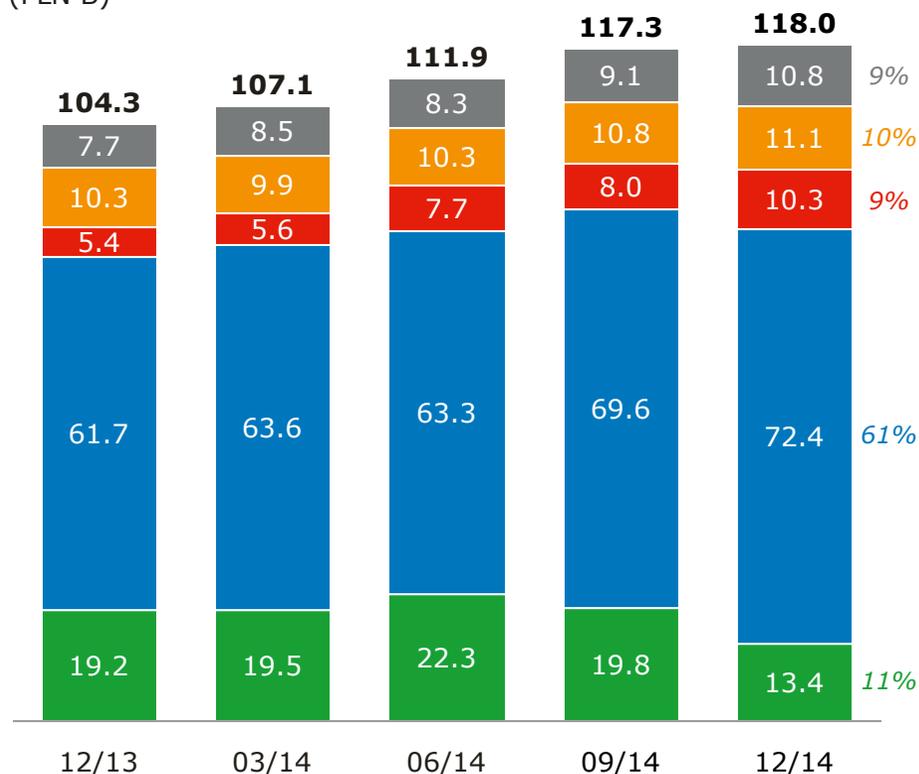
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

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

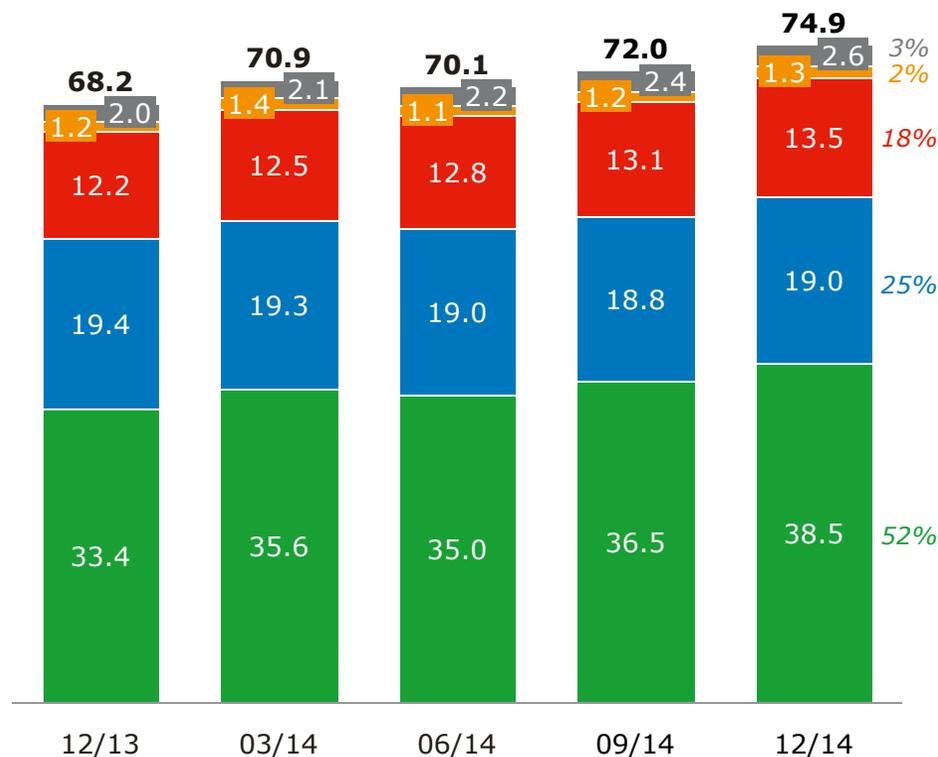
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Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

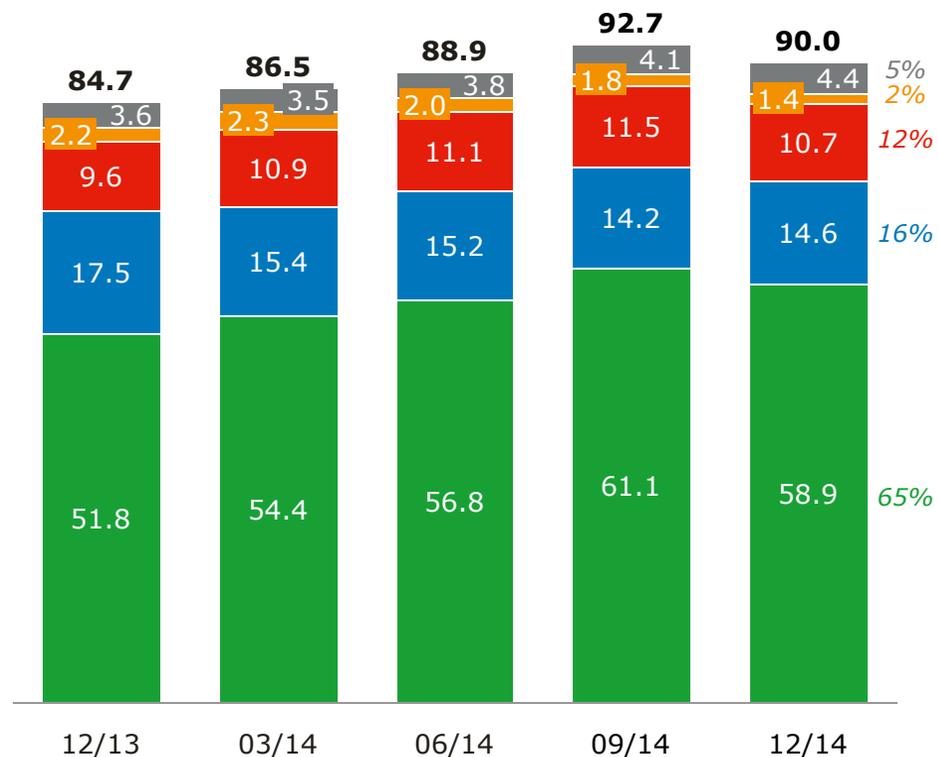
Additional Information: Selected Financial Data Balance Sheet Analysis: Currency Structure

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

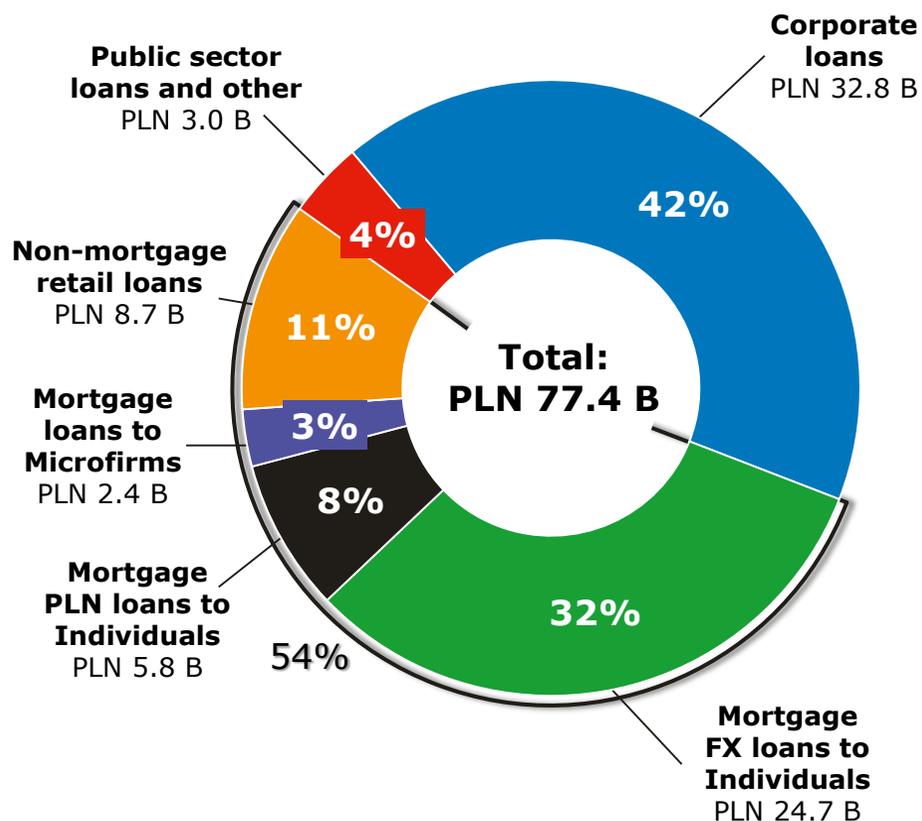
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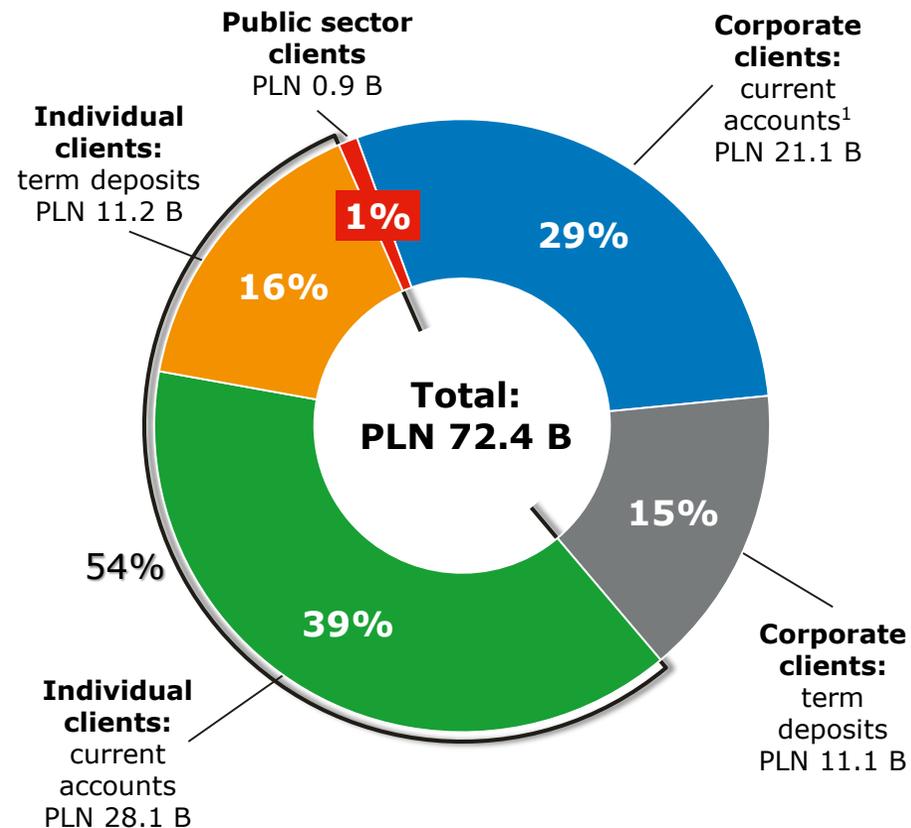
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

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

Structure of mBank Group's Gross Loans as of 31.12.2014



Structure of mBank Group's Deposits as of 31.12.2014

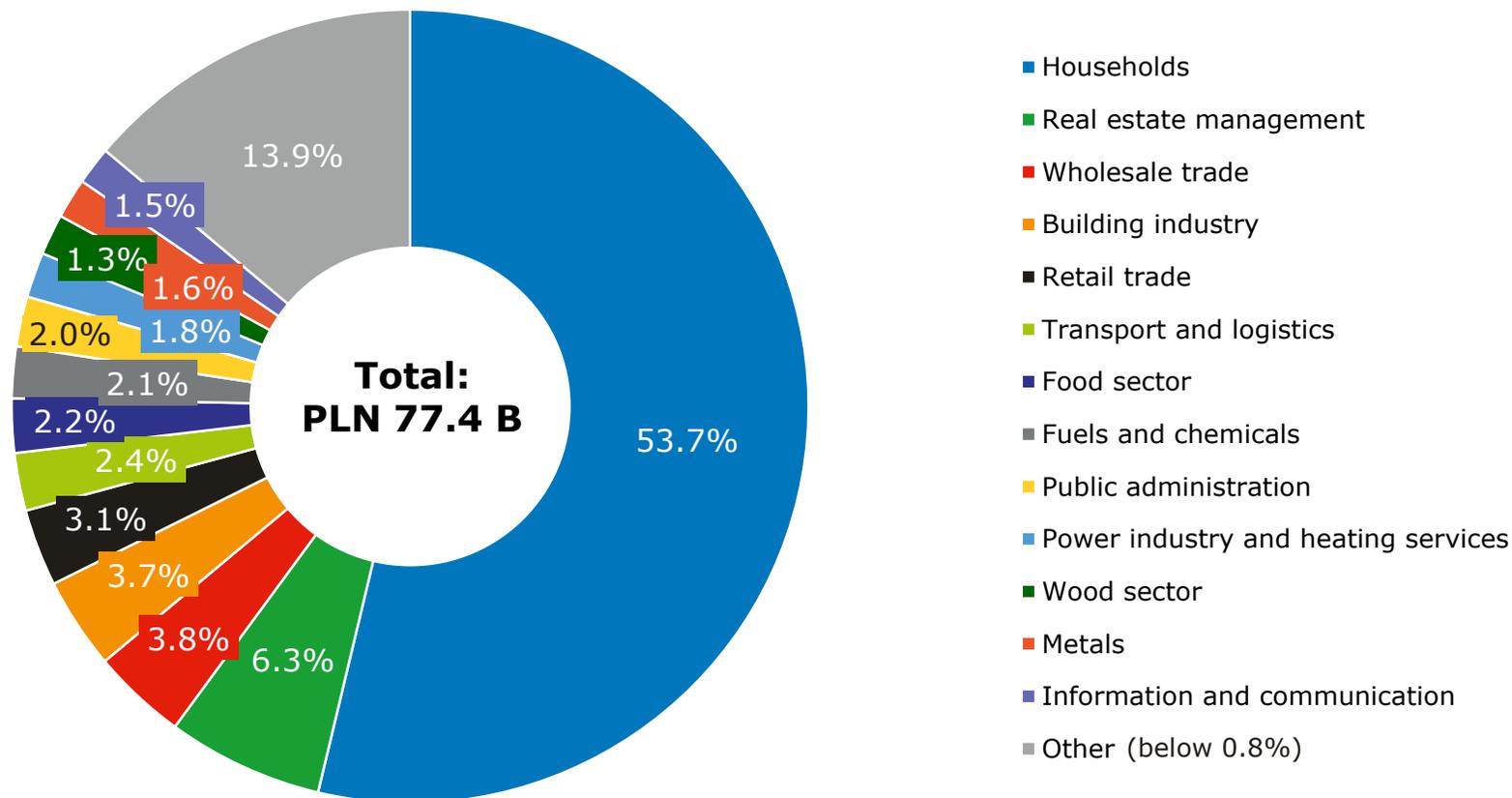


¹ incl. repo transactions, loans and advances received, other liabilities

Appendix

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

mBank Group's Sector Exposure by Industry
as of 31.12.2014



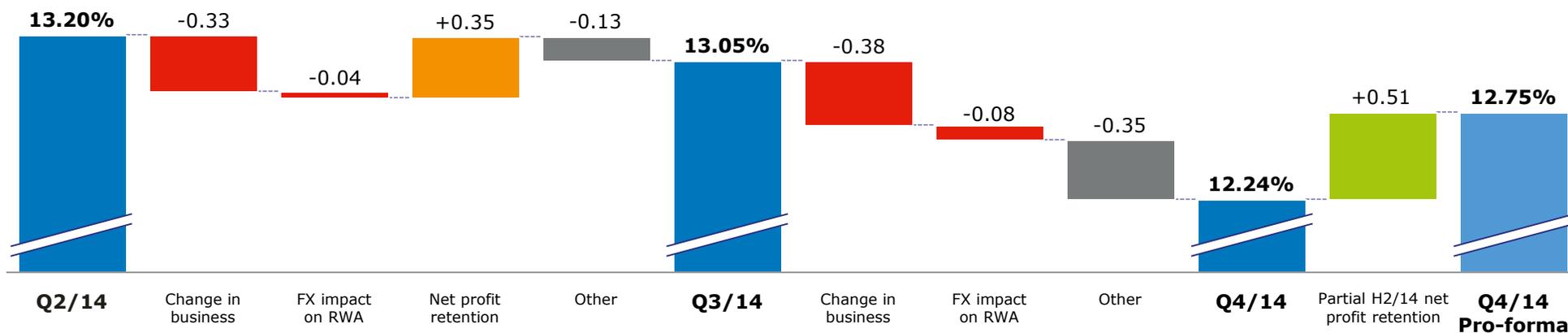
A well diversified loan portfolio with granular structure

Appendix

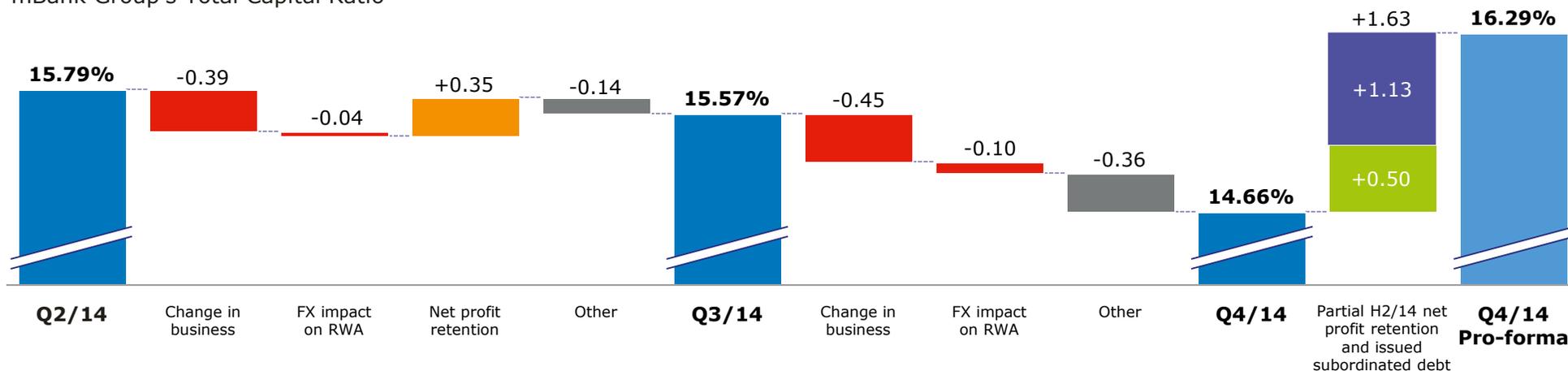
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

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

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



mBank Group's Total Capital Ratio



Appendix

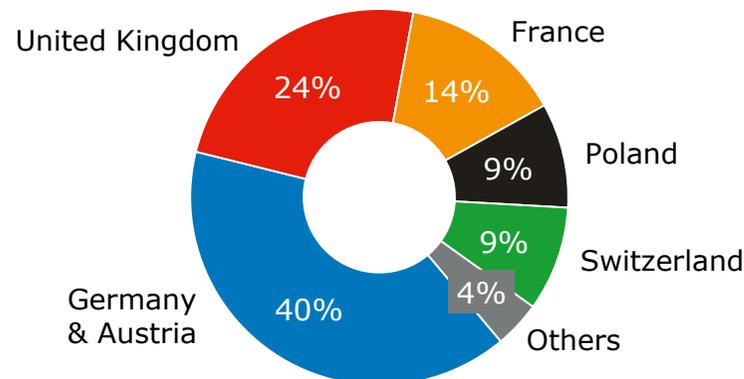
mBank's Euro Medium Term Note (EMTN) Programme Summary of fourth tranche: 7-year EUR 500 M, Senior Unsecured

Transaction details

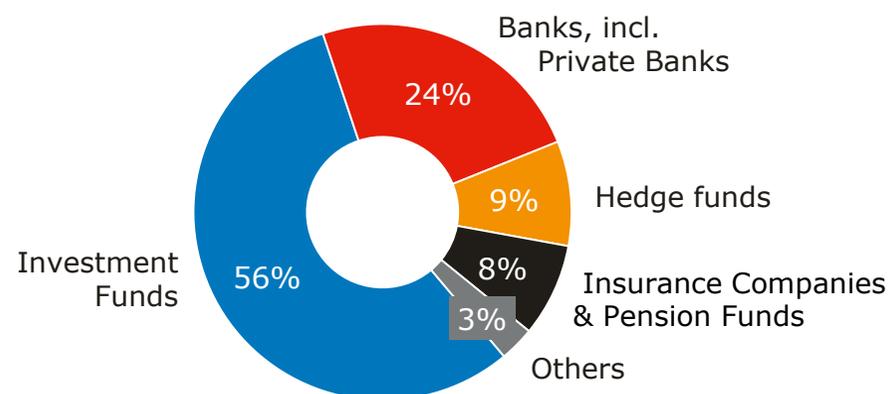
Issuer	mFinance France S.A.
Guarantor	mBank S.A.
Format	Senior Unsecured Debt out of EMTN programme
Issue rating	A (Fitch) / BBB+ (S&P)
Issue size	EUR 500 M
Maturity date	26th November 2021
Issue date	26th November 2014
Reoffer spread	MS+145bps
Coupon	2.000% p.a.
Listing	Bourse de Luxembourg

- Improving pricing metrics over time reflect the strength of mBank's credit profile and positive investor perception in the international capital markets

Distribution by investor location

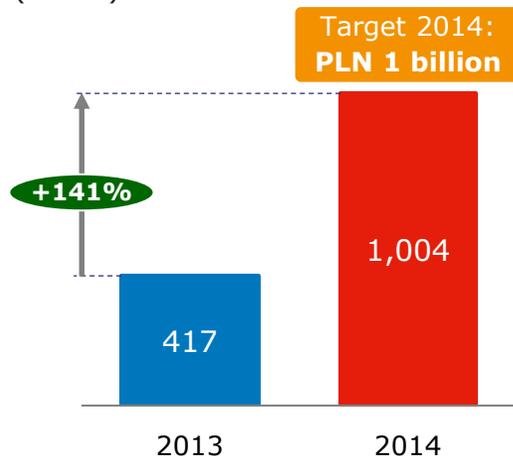


Distribution by investor type

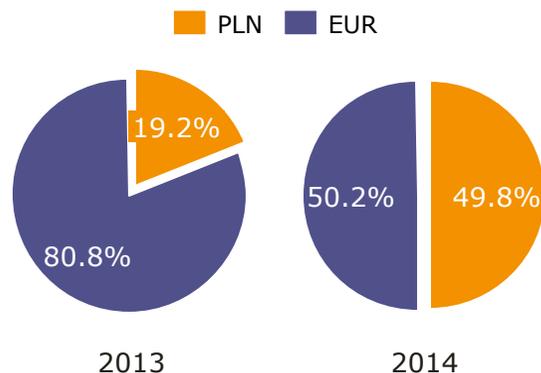


Issuance Activity on the Covered Bonds Market Residential mortgage loans to rise in cover pool

Covered Bonds Issuance
(PLN M)



Breakdown of issuance by currency



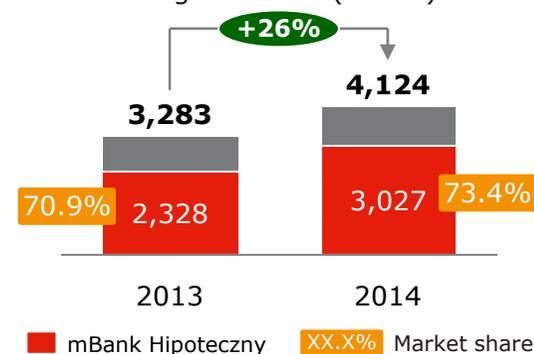
Source: Polish Mortgage Credit Foundation

Summary of Mortgage Covered Bonds issued in 2014

Amount	Currency	Issue date	Maturity date	Tenor (years)	Coupon
7.5 M	EUR	17-02-2014	15-02-2018	4.0	EURIBOR 6M + 80bps
8.0 M	EUR	28-02-2014	28-02-2029	15.0	Fixed (3.50%)
15.0 M	EUR	17-03-2014	15-03-2029	15.0	Fixed (3.50%)
20.0 M	EUR	30-05-2014	30-05-2029	15.0	Fixed (3.20%)
300.0 M	PLN	28-07-2014	28-07-2022	8.0	WIBOR 6M + 93bps
200.0 M	PLN	04-08-2014	20-02-2023	8.5	WIBOR 6M + 93bps
20.0 M	EUR	22-10-2014	22-10-2018	4.0	Fixed (1.115%)
50.0 M	EUR	28-11-2014	15-10-2019	4.9	EURIBOR 3M + 87bps

- mBank Hipoteczny issued **planned PLN 1 billion of covered bonds in 2014** and its target for 2015 amounts to PLN 1.5 billion
- Achieved longest maturity for any Polish issuer outside the sovereign space (15 years) at very tight spreads
- Covered bond issuance to become the dominant long-term financing source for the Group's mortgage lending and a competitive advantage in a tightening regulatory environment

Development of Total Covered Bonds Outstanding in Poland (PLN M)



Detailed Results of the Business Lines in Q4/14

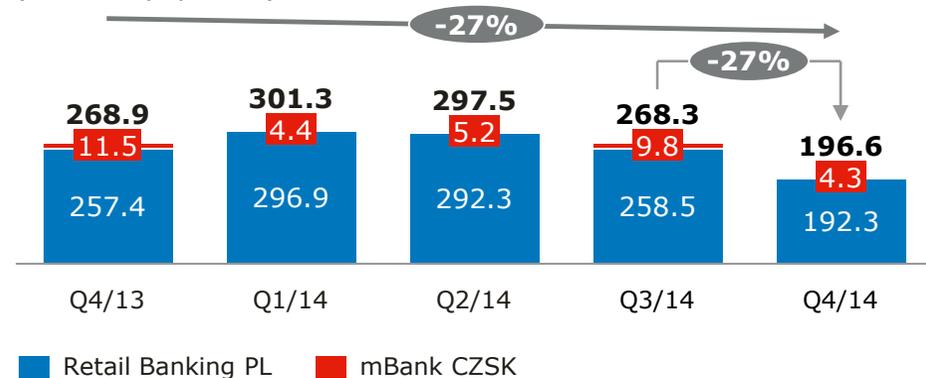
Retail Banking

Appendix

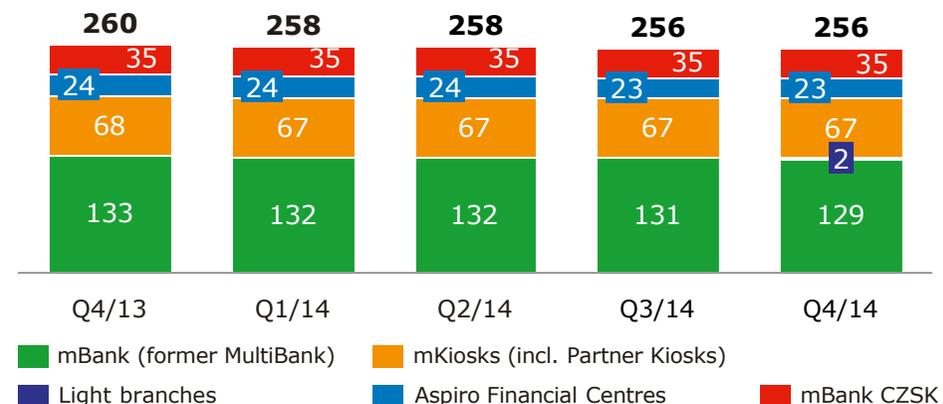
Retail Banking Summary of Q4/14: Financial Results

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

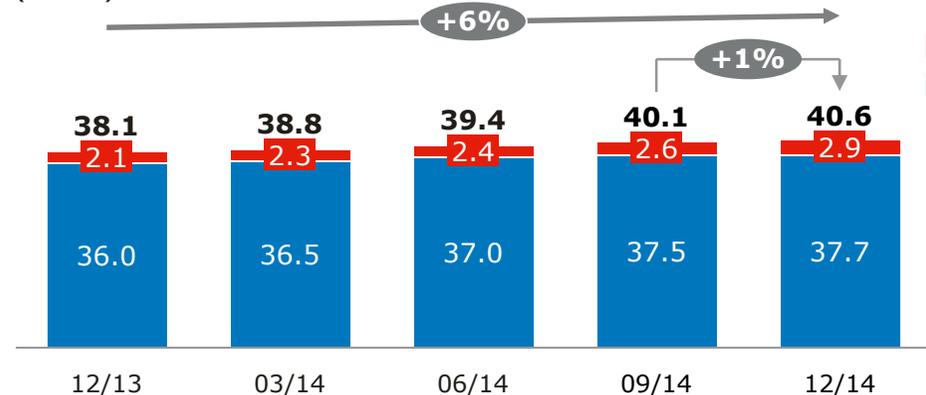
Profit before Tax of the Segment
(PLN M, by quarter)



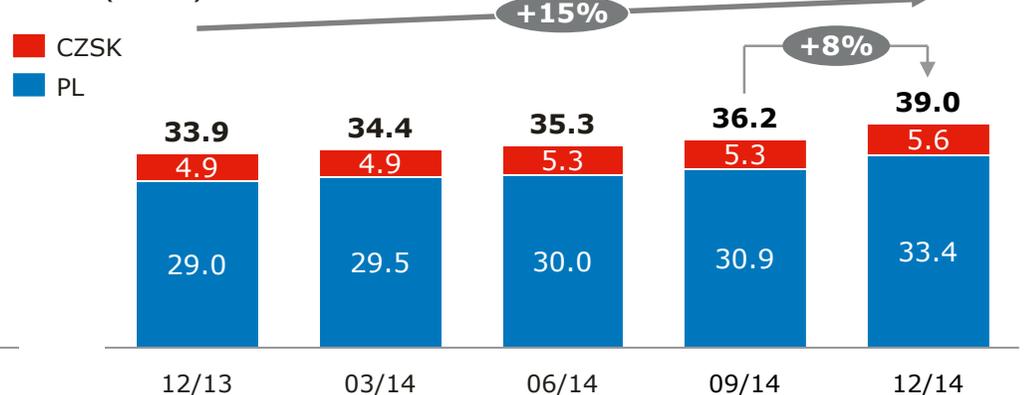
Number of Retail Outlets



Total Retail Gross Loans¹
(PLN B)



Total Retail Deposits¹
(PLN B)



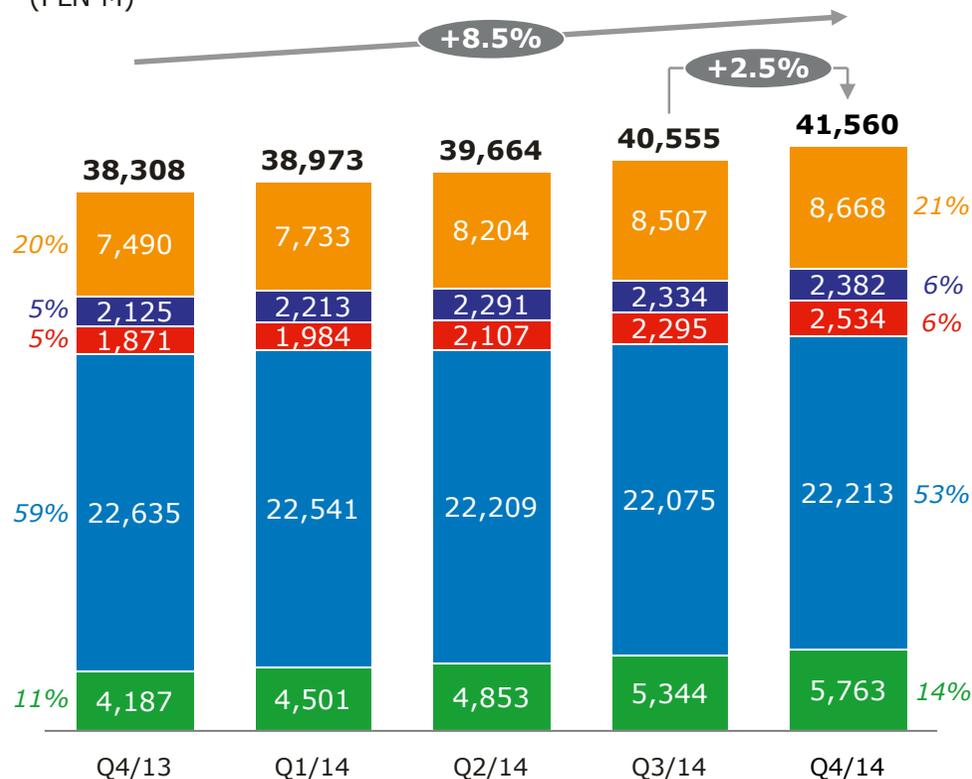
¹ Based on management information

Appendix

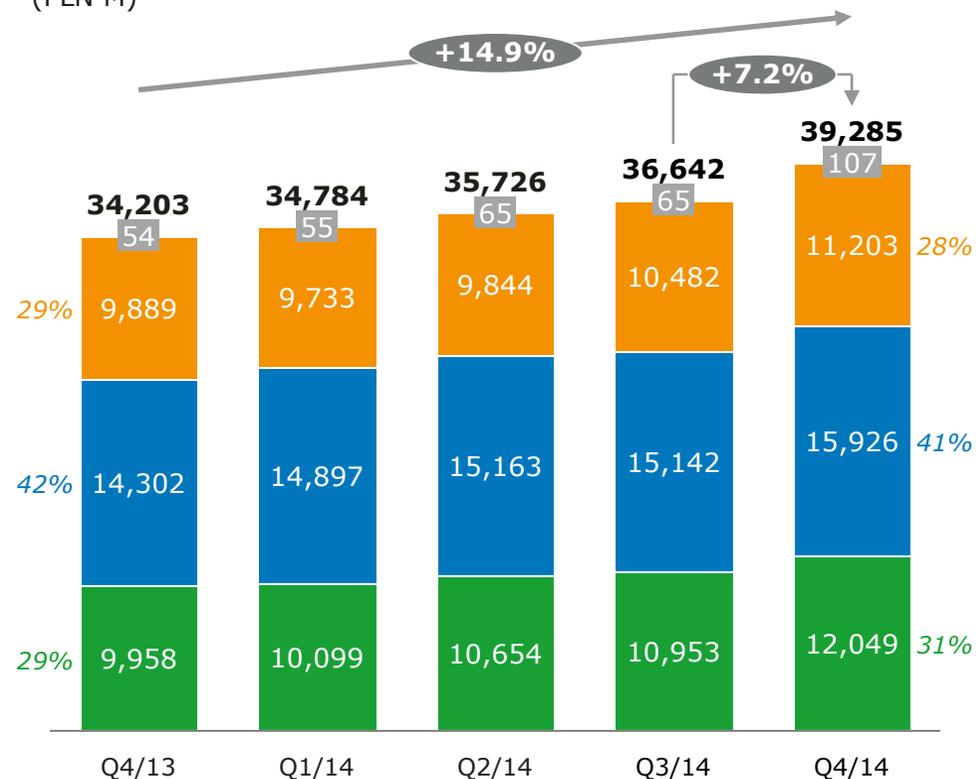
Retail Banking Summary of Q4/14: Loans and Deposits

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Gross Loans to Retail Banking Clients¹
(PLN M)



Deposits from Retail Banking Clients
(PLN M)



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

- Current accounts
- Saving accounts
- Term deposits
- Other

¹ Currency and geographical breakdown based on management information

Appendix

Retail Banking

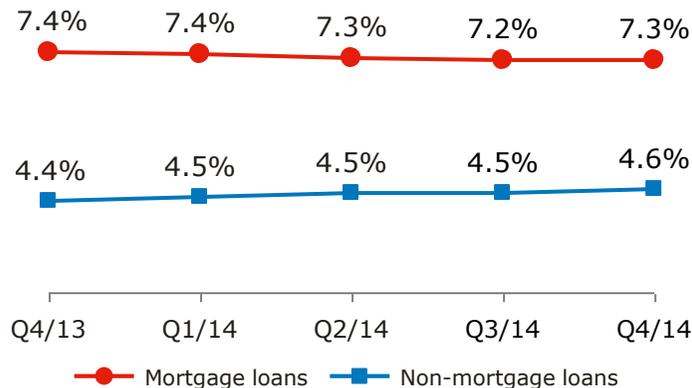
Mortgage and Non-mortgage Loans: Portfolio Structure and Key Parameters

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

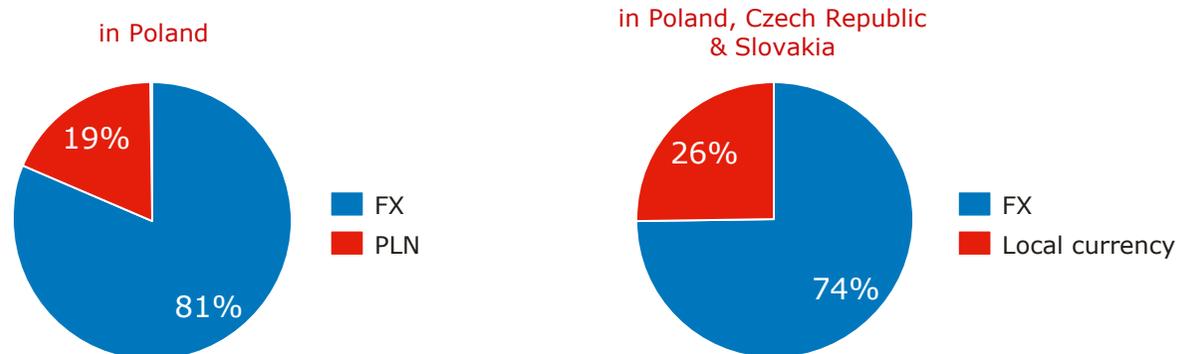
Balance-sheet value (PLN B)	27.6
Average contractual maturity (years)	20.3
Average value per loan (PLN thou.)	275.4
Average LTV (%)	80.7
NPL (%)	4.9

As of 31.12.2014

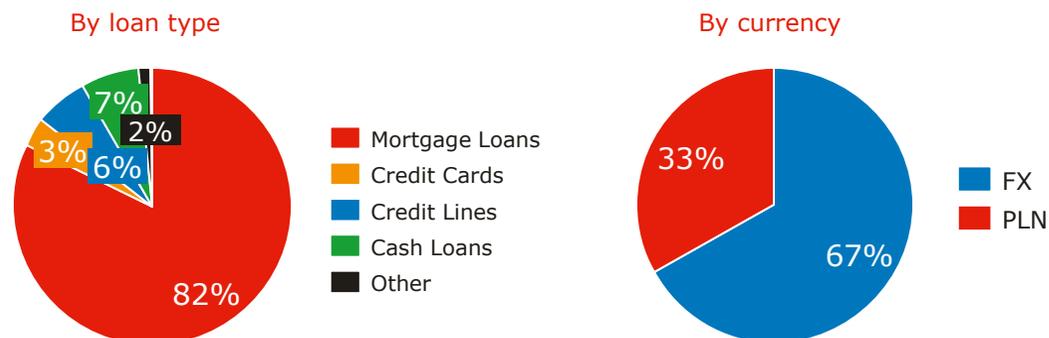
Market shares



Currency Structure of Retail Banking Mortgage Loan Portfolio
(Household Loans) at 31.12.2014



Structure of Retail Banking Loan Portfolio
(Household Loans, mBank PL only) at 31.12.2014

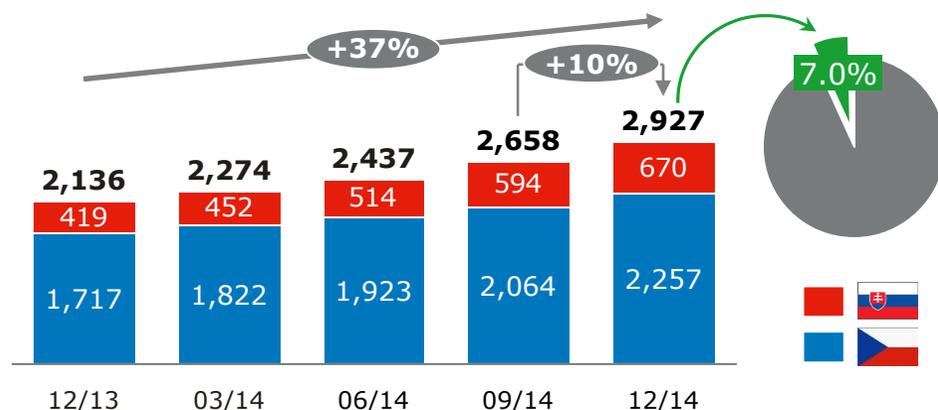


Appendix

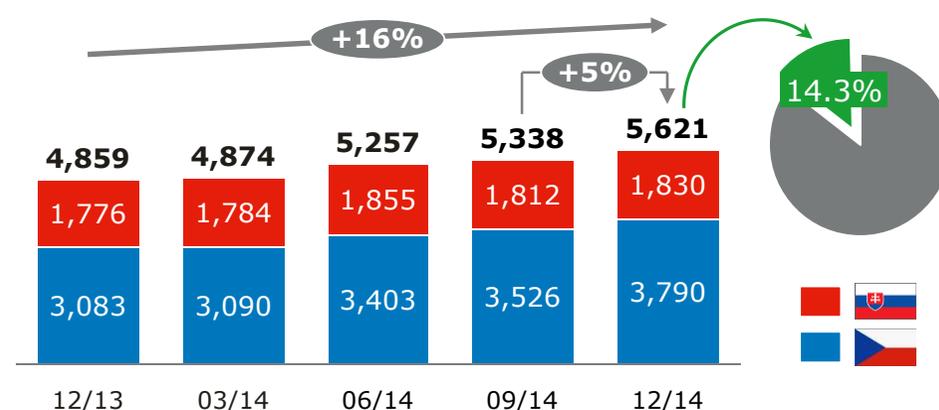
Retail Banking mBank in the Czech Republic and Slovakia

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

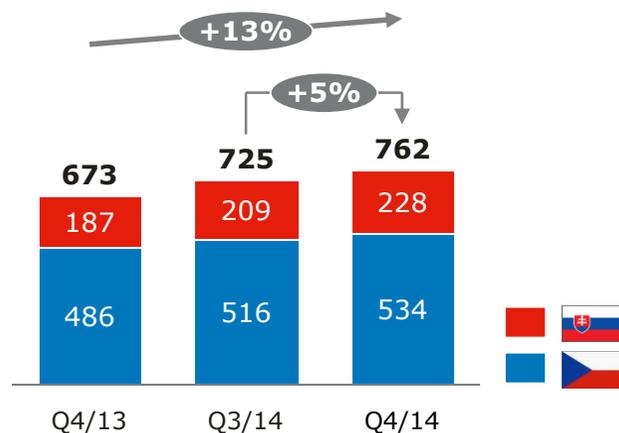
Gross Loans (PLN M) and Share in Total mBank's retail volume



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



Clients (thou.)



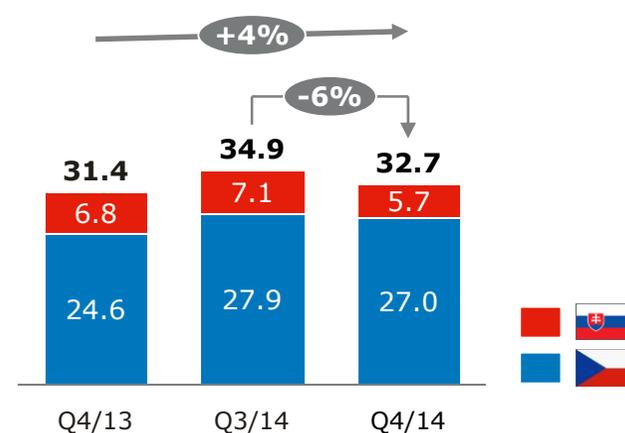
Launch of New Mobile Application

In mid-December 2014, the new mobile application mBank 2.0 was made available to Czech and Slovak clients.



It fully meets customer needs and expectations, because the bank carried out a survey of the reasons for using mobile banking and focused on development of the most desirable functionalities.

Total revenues (PLN M)



Note: Volumes based on management information.

Appendix

Retail Banking mBank in the Czech Republic and Slovakia

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

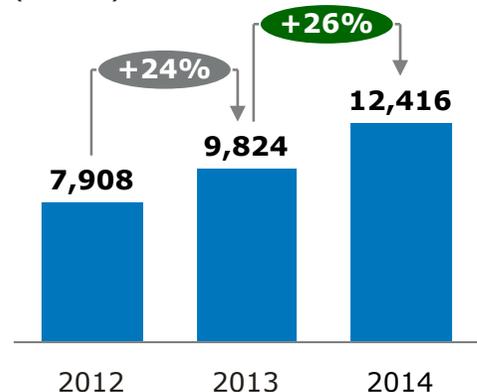


Czech Republic

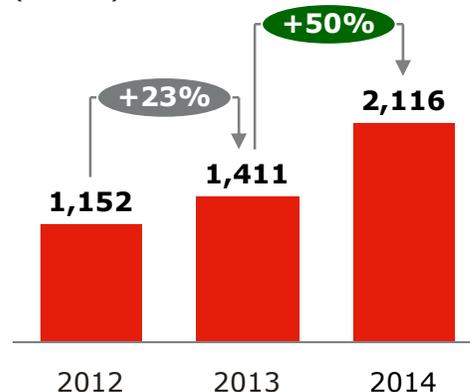
Clients:
534.2 thou.

9 financial centres &
17 mKiosks

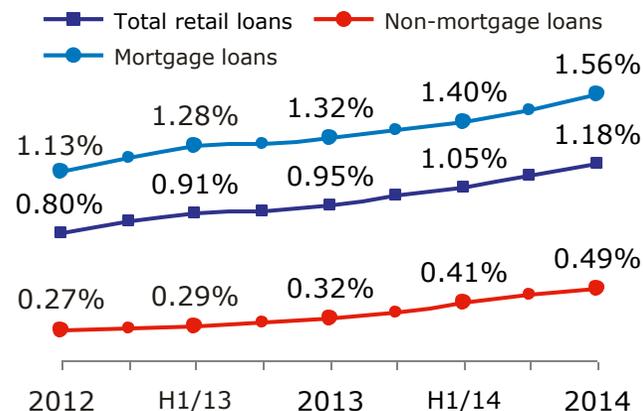
Mortgage Loans
(CZK M)



Non-mortgage Loans
(CZK M)



Development of lending market shares

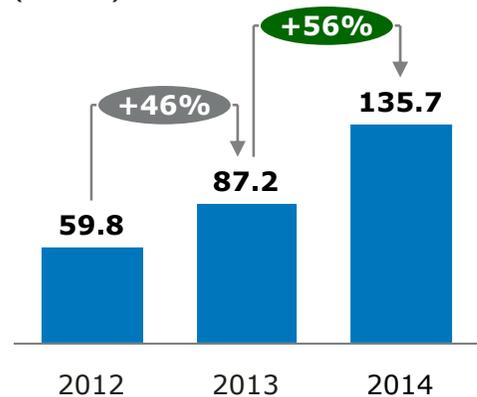


Slovakia

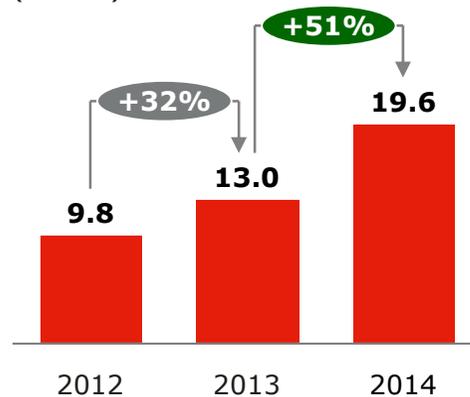
Clients:
227.9 thou.

4 financial centres &
5 mKiosks

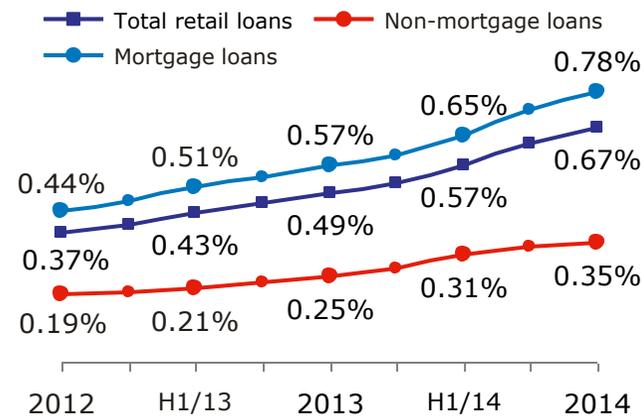
Mortgage Loans
(EUR M)



Non-mortgage Loans
(EUR M)



Development of lending market shares



Source: mBank calculation based on data from Česká národní banka (CNB) and Národná Banka Slovenska (NBS).

Detailed Results of the Business Lines in Q4/14

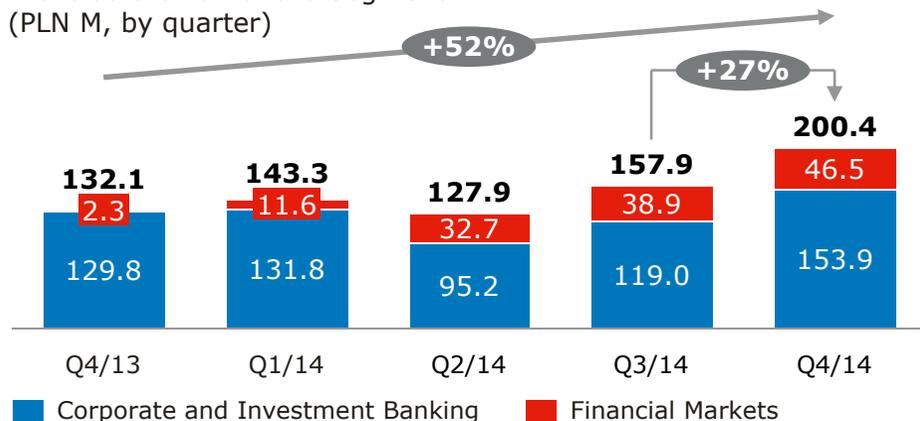
Corporates & Financial Markets

Appendix

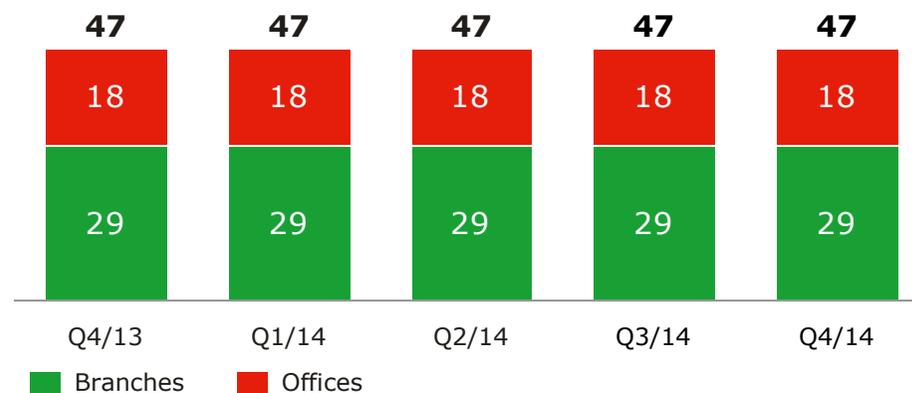
Corporates and Financial Markets Summary of Q4/14: Financial Results

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

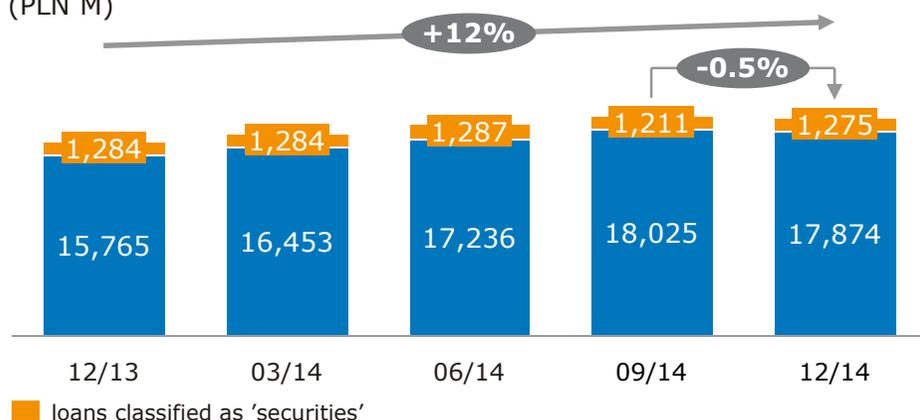
Profit before Tax of the Segment
(PLN M, by quarter)



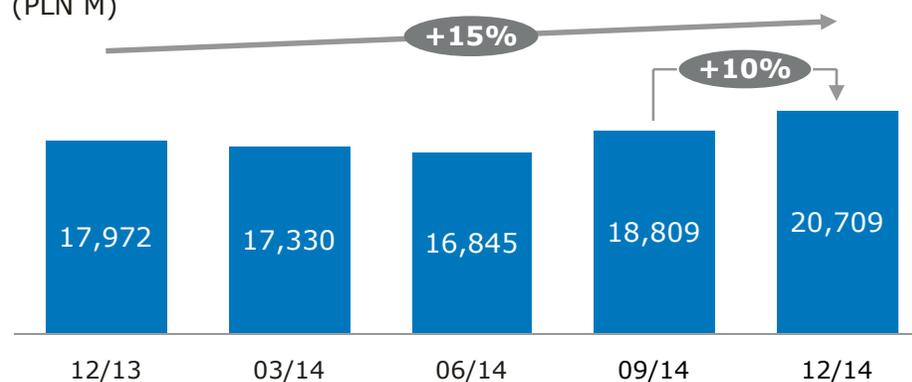
Corporate Branch Network



Loans to enterprises¹
(PLN M)



Deposits of enterprises¹
(PLN M)



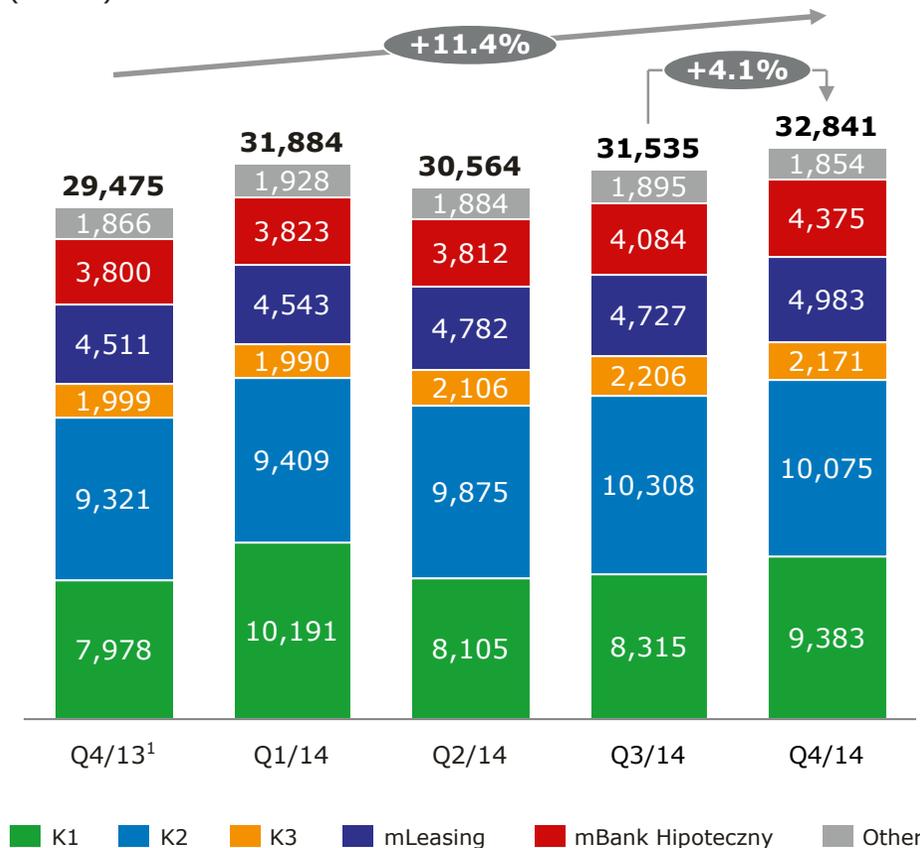
¹ Corporate loan and deposit volumes according to current NBP rules

Appendix

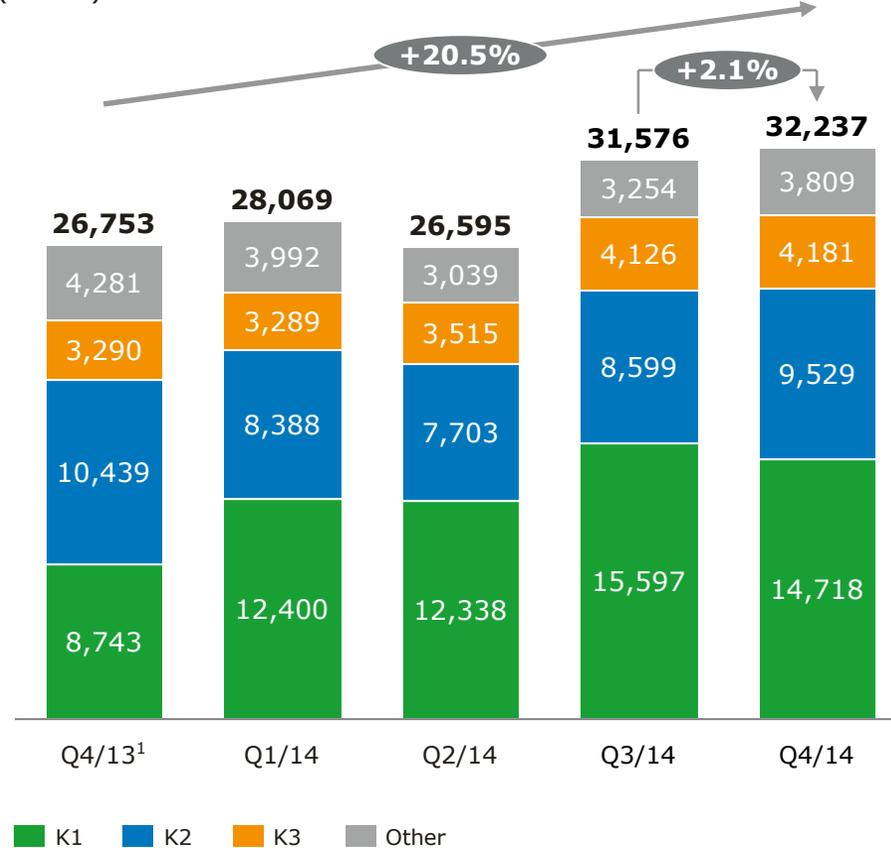
Corporates and Financial Markets Summary of Q4/14: Loans and Deposits

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Gross Loans to Corporate Entities
(PLN M)



Deposits from Corporate Customers
(PLN M)



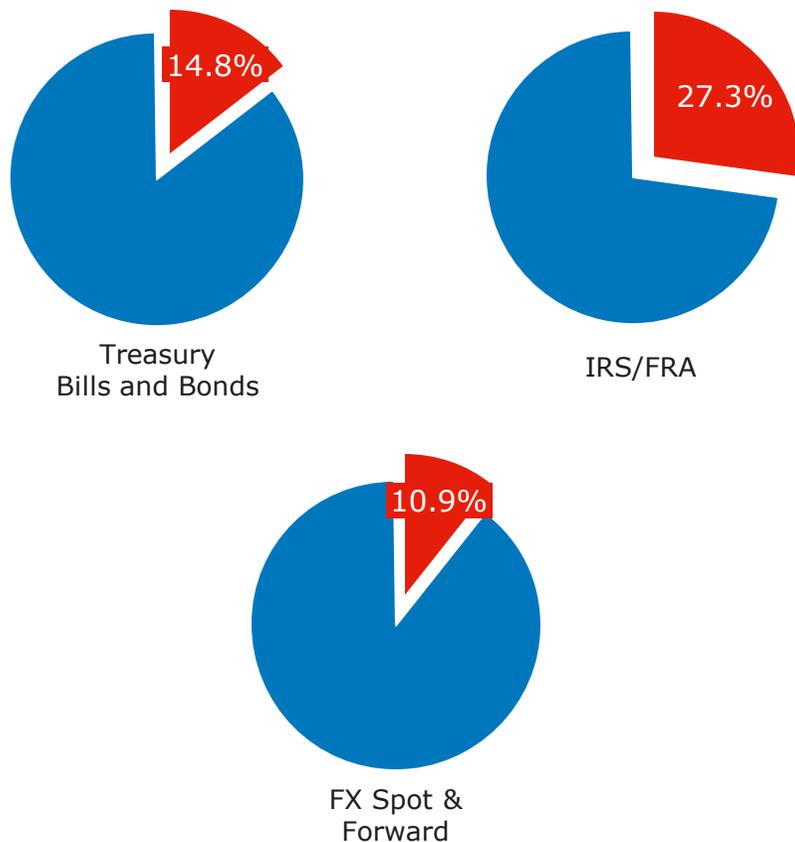
¹ Since 2014 all non-banking financial institutions were reclassified and moved to the K1 segment (the change concerned ca. 400 clients, mainly from K2 segment)
Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3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

Appendix

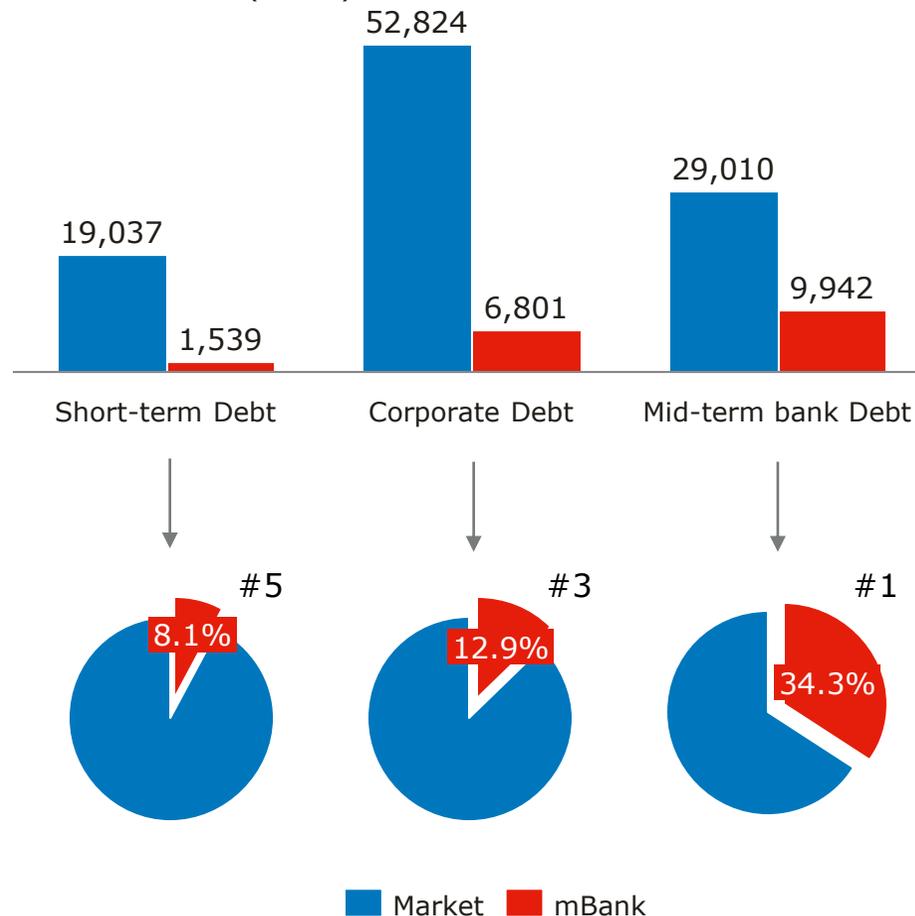
Corporates and Financial Markets Market Shares

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 31.12.2014 (PLN M)



¹ As of 31.12.2014; calculations based on own and NBP data

² Based on Fitch Polska S.A., Rating & Rynek, 31.12.2014 and own calculations (excluding BGK road bonds)

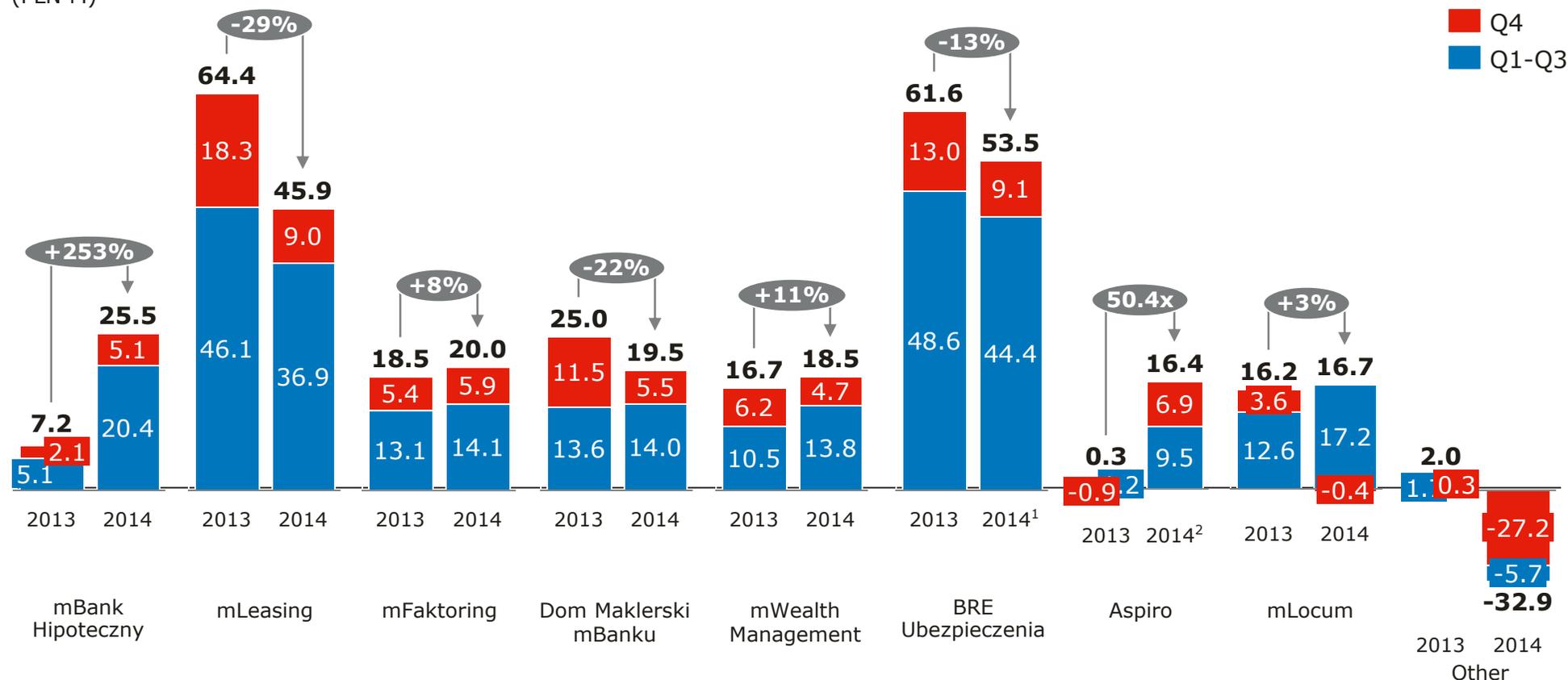
Detailed Results of the mBank Group's companies in Q4/14

Subsidiaries

Appendix

mBank Group's Subsidiaries Summary of Q4/14: Financial Results of Major Companies

Profit before Tax of Consolidated Subsidiaries
(PLN M)



Profit before tax of consolidated subsidiaries at PLN 183.1 M in 2014 v. PLN 212.0 M in 2013 (-13.6%)

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

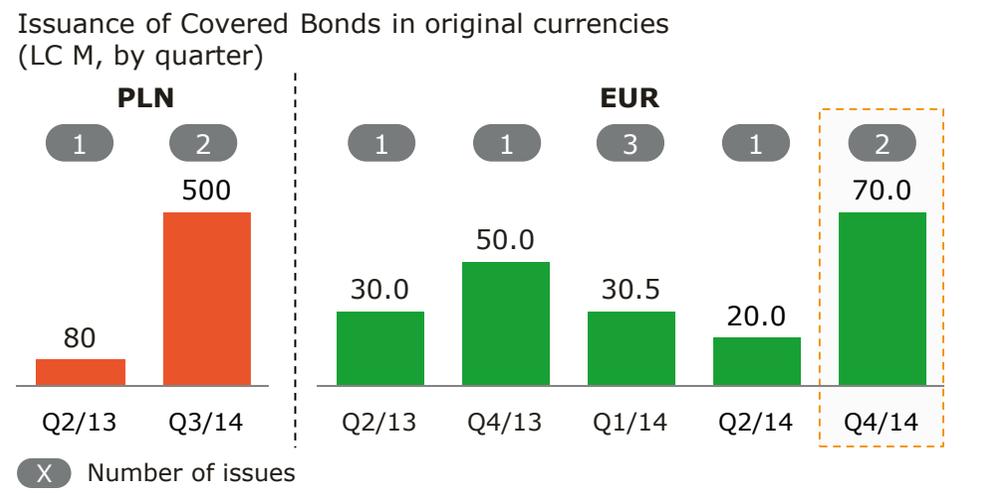
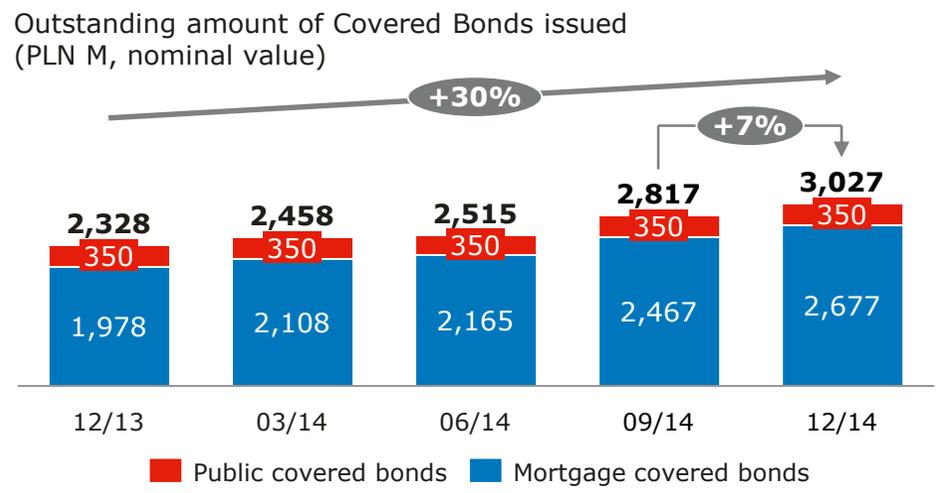
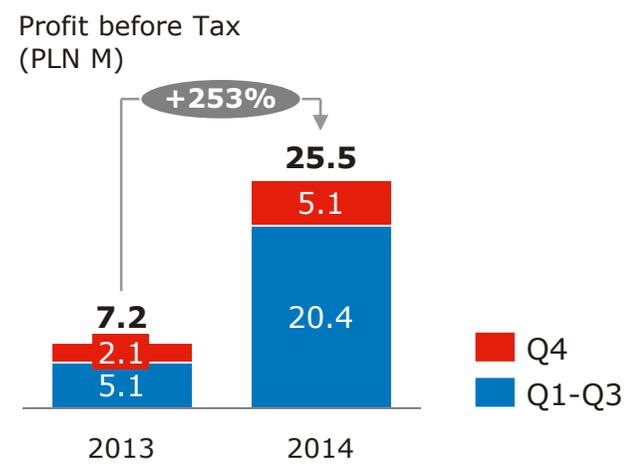
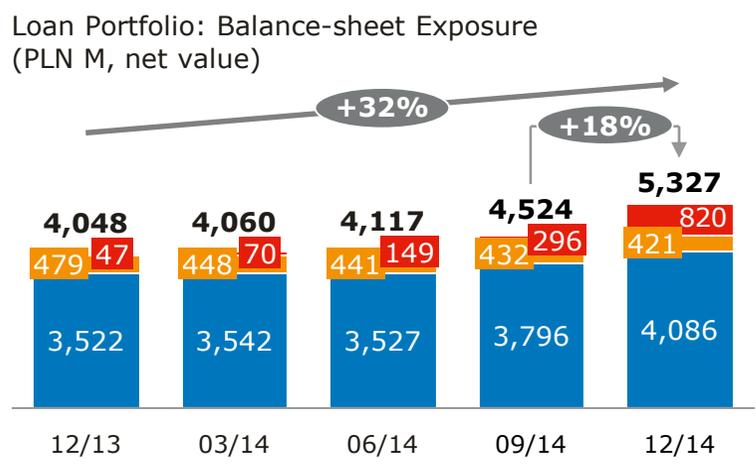
Appendix

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 and first pooling transaction in October 2014)
- Local government loans
- Commercial loans



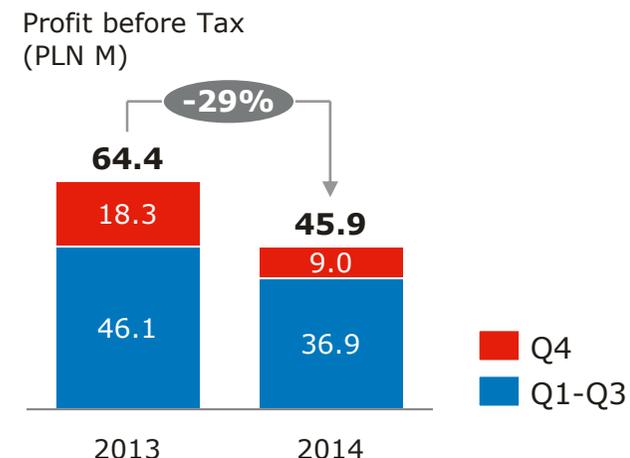
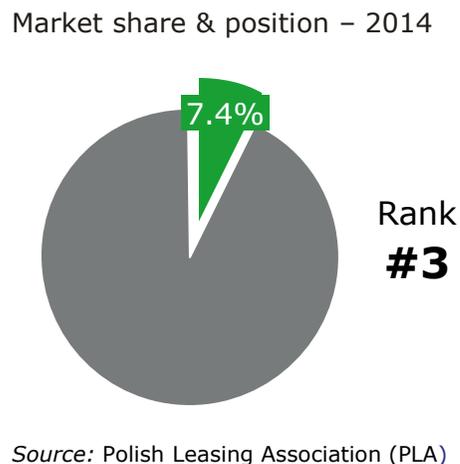
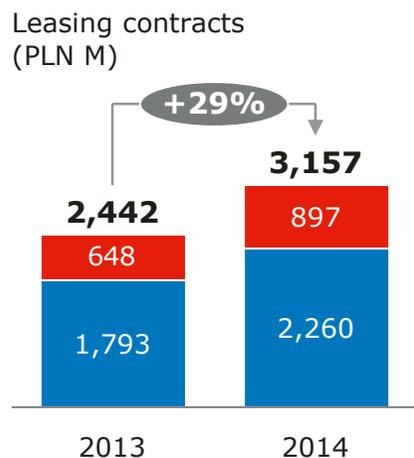
Appendix

mBank Group's Subsidiaries Leasing and Factoring (Poland)

m Leasing

established in 1991

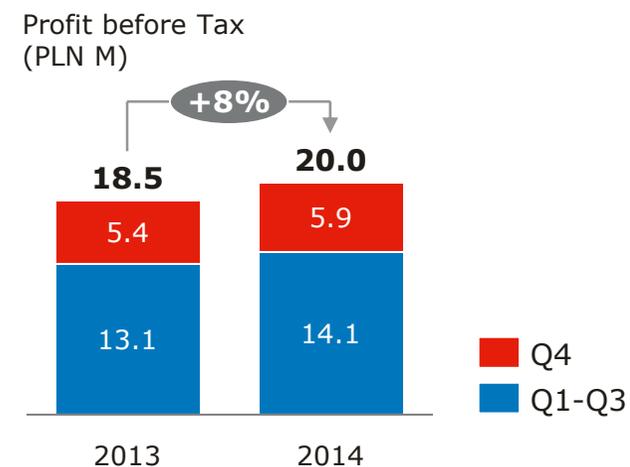
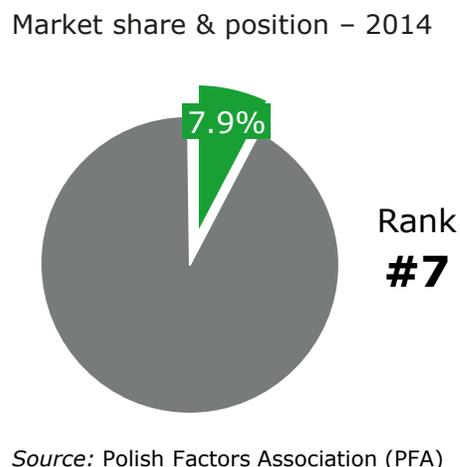
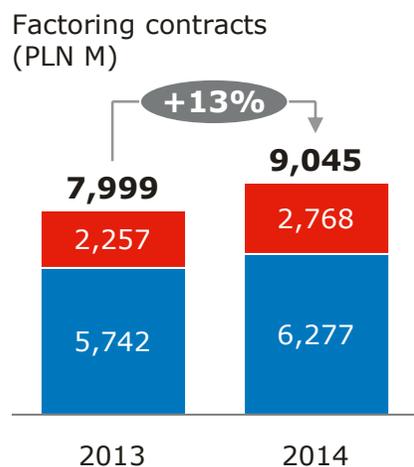
provides financial and operating leasing of cars, trucks, machinery and real estate



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

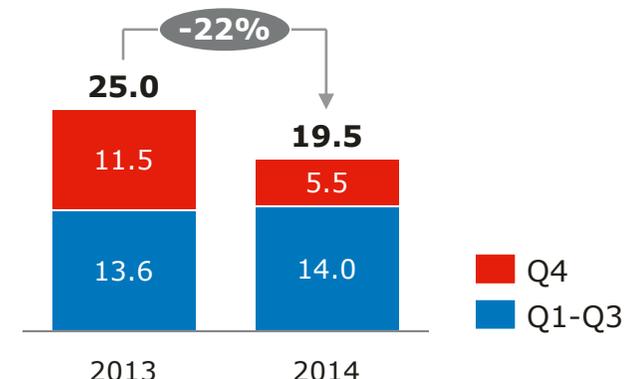
Number of Accounts in Q4/14 (thou.)	
mDM accounts	47.8
Brokerage Service in mBank	246.4
TOTAL	294.2

Market Shares in Q4/14, by volume

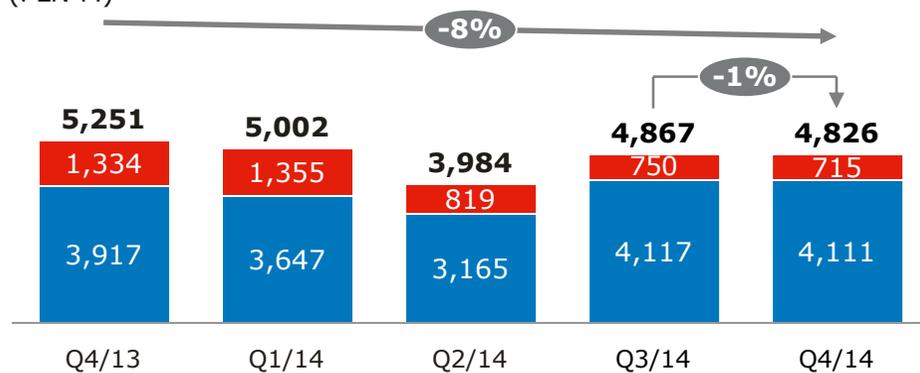
	incl. block transactions		Session transactions	
Equities	4.62%	#8	4.84%	#9
Bonds	7.48%	#3	7.55%	#3
Futures	16.67%	#2	16.63%	#2
Options	13.42%	#4	13.79%	#4

Source: own calculations based on WSE data

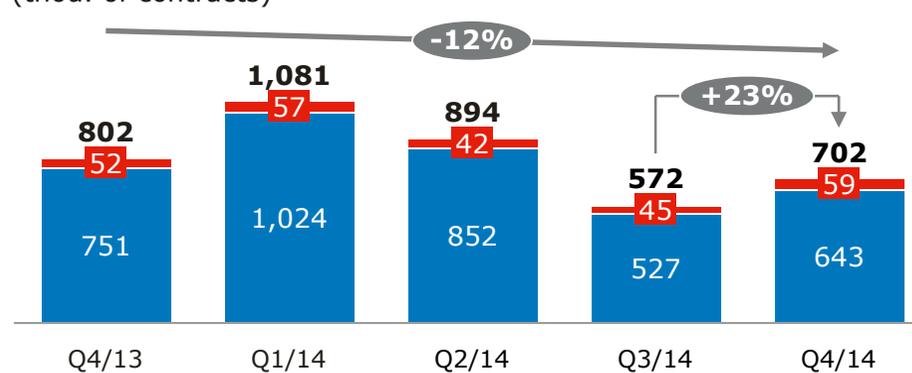
Profit before Tax (PLN M)



mDM Equities Trading WSE (PLN M)



mDM Futures Trading WSE (thou. of contracts)



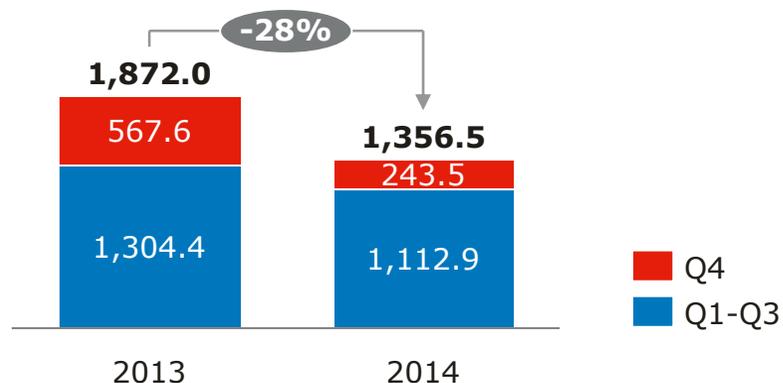
Trading via mBank's brokerage services Direct trading via mDM

Appendix

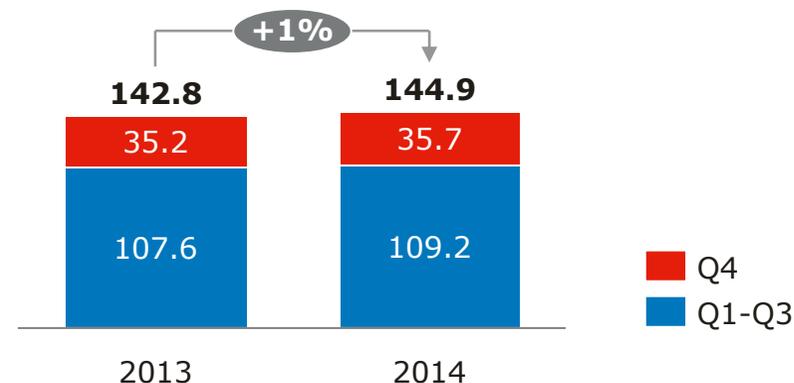
mBank Group's Subsidiaries BRE Ubezpieczenia (BRE Insurance)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

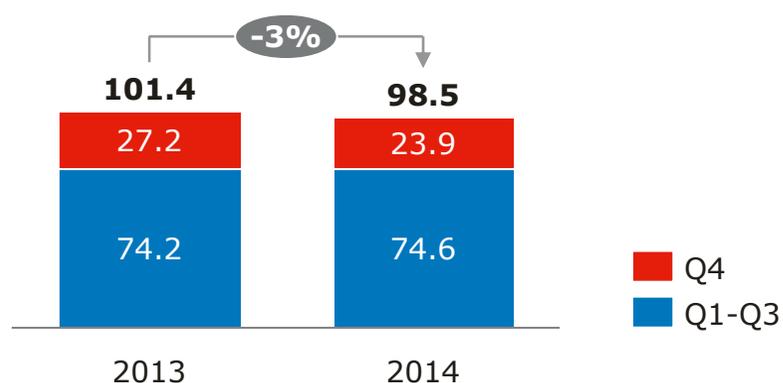
Bancassurance Retail – Total Premium (PLN M)



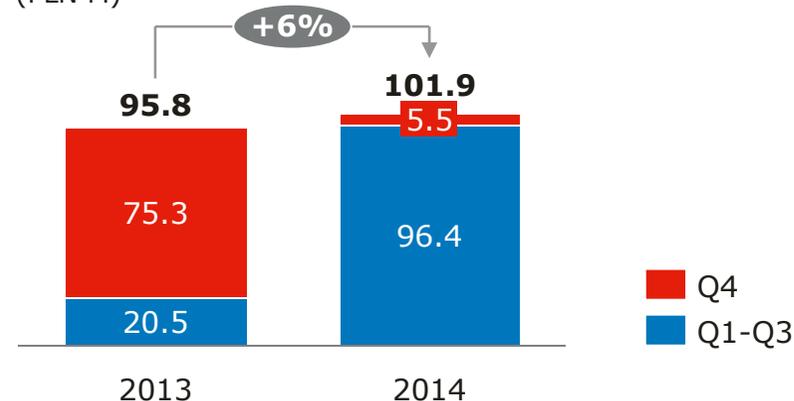
Direct Insurance (Internet platform) – Total Premium (PLN M)



Co-operation with mLeasing – Total Premium (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)

mBank's share price performance in 2014

Shareholder return supported by a dividend payout of PLN 17 per share

mBank's index membership and weights*

WIG-30	WIG30	2.95%
WIG-20	WIG20	3.19%
WIG	WIG	1.98%
WIG-Banks	WIGbanki	6.83%
WIG-Poland	WIGPoland	2.00%

- Listed on the Warsaw Stock Exchange since October 1992
- The only share belonging to WIG-20 blue chip index since its inception in April 1994

2014 Total Shareholder Return (TSR):

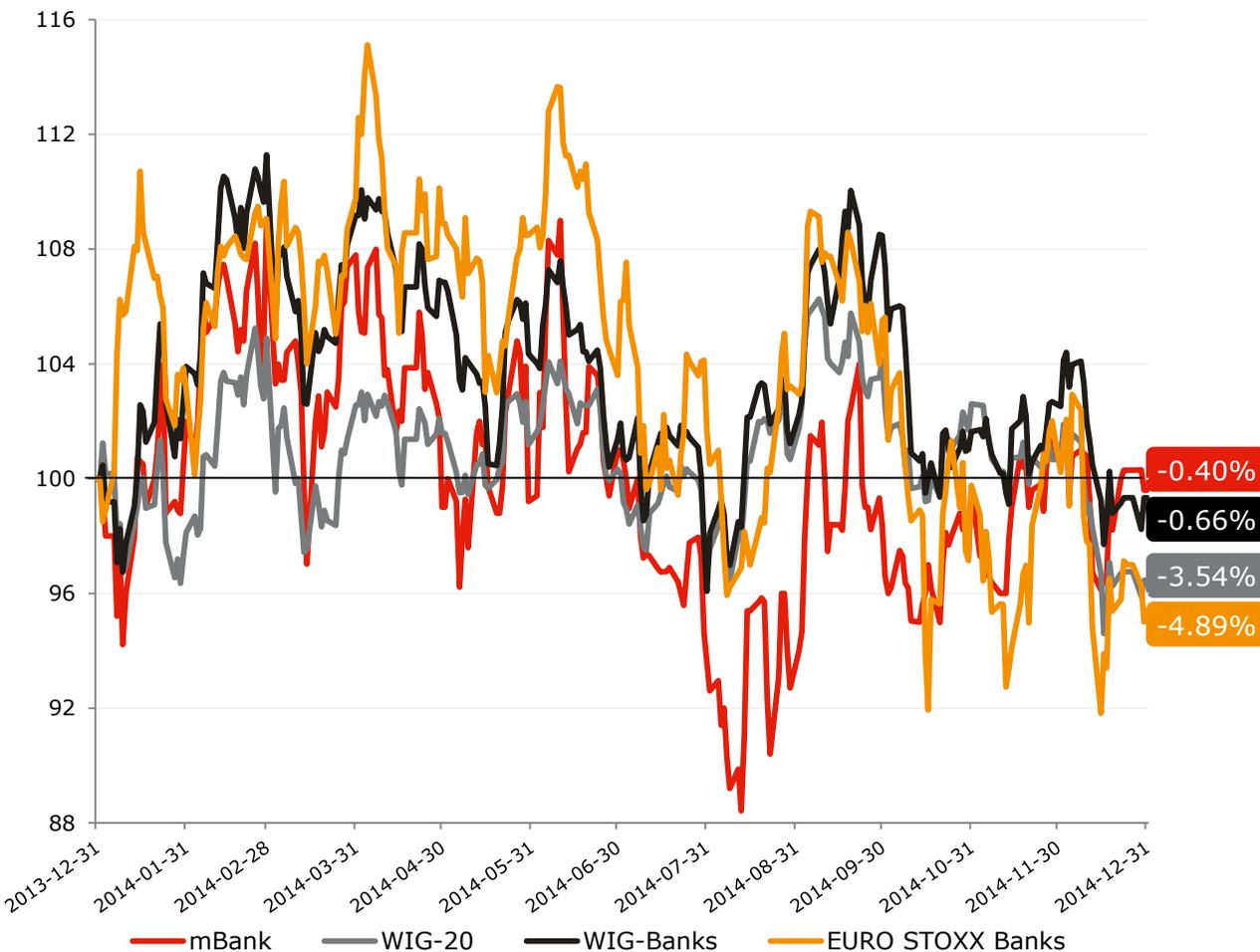
+3.02%

- From 2013 net profit mBank paid dividend in the amount of PLN 17 per share

* Share in index as of February 2, 2015

Source: WSE, MSCI, Bloomberg

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



mBank's awards and distinctions in 2014

Innovations appreciated by both clients and external experts

Recognized as "The Best Corporate/Institutional Internet Bank in Poland"

Four statuettes for the best personal account, an account for businesses, activities in social media and a title of a Golden Bank



Among the most innovative companies in the financial sector



Channel Innovation Award Winner



Appreciated for the highest quality of services



Named the best bank in Poland in the area of trade finance



#1 for the "Digital Model Bank"

Bank's mobile application – the best financial tool for iOS, Android and Windows Phone



#2 for the best institutions offering internet and mobile banking;
#3 among traditional banks

#1 in the categories: "The Most Disruptive Innovation" for an institution creating new market value in global banking, "The Most Promising Idea" for a loan in 30 seconds, and "The Everyday Banking" for mDiscounts



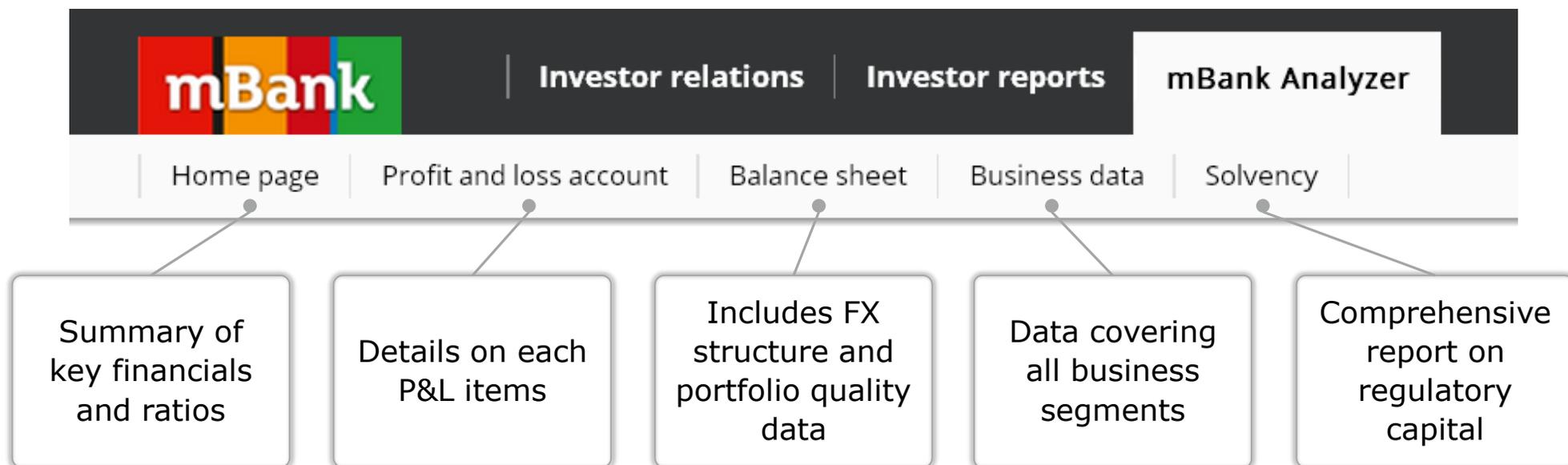
Equity research analysts of bank's brokerage house among the leaders of the ranking



The prestigious "The Best of the Best" award for the best 2013 annual report, in the contest organised by the Tax and Accounting Institute

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

mBank Analyzer: analyzer.mbank.pl

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