

# Results of mBank Group

## Q2 2015

**Core revenues rebounding on strong business flows**

Management Board of mBank S.A.

Investor Presentation

July 30, 2015



# Key highlights of Q2 2015

## Core revenues up QoQ despite continued market pressure

- NII at PLN 605.5 M (+3.1% QoQ), amid record low interest rates
- NFC at PLN 230.3 M (+18.8% QoQ), despite reduced interchange fees

## Strategic investments weighting on costs

- Cost/Income ratio at 46.8% YtD

## Profit & Loss

## Strong capital ratios above regulatory requirements

- CET 1 Ratio at 13.5%
- Total Capital Ratio at 16.4%

## Issues of covered bonds add to long-term financing sources

## Improving liquidity levels

- LtD ratio at 105.7%

## Capital & Liquidity

## Total revenues decreased to PLN 884.9 M

## Sound volume development

- Gross loans at PLN 80.3 B (+4.1% QoQ, +13.3% YoY)<sup>1</sup>
- Customer deposits at PLN 73.1 B (+7.9% QoQ, +20.3% YoY)<sup>1</sup>

## Retail lending acceleration

- Record high NML<sup>2</sup> sales at PLN 1.2 B in Q2/15 (+6.7% YoY); mortgage sales at PLN 1.0 B (+24.9% YoY)

## Volumes

## Strategic partnerships to exploit growth opportunities

- Cooperation with AXA Group, Orange and Allegro

## Focus on SME segment

## Strong client acquisition

- 4,924 thou. retail clients (+121 thou. QoQ) and 18,654 corporate clients (+521 QoQ)

## Business development

**Net Profit of PLN 221.3 M,  
-31.9% compared to Q2/14**

<sup>1</sup> Volume dynamics presented excl. reverse repo / buy-sell-back transactions and repo transactions, respectively; <sup>2</sup> Non-mortgage loans

# Agenda



## Summary of Q2/15 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate business

## Analysis of Q2/15 Results

Development of Loans and Deposits

Development of Income and Costs

Loan Portfolio Quality

Funding Structure Details

Capital and Liquidity Ratios

## Macroeconomic Update

## Appendix

Additional Information: Selected Financial Data

Detailed Results of Business Lines

# Summary of Q2/15 Results in mBank Group

## Key Financials: Profit and Loss Account

<i>in PLN M</i>	<b>Q2/15</b>	<b>Q2/14</b>	<i>Change YoY</i>	<b>Q1/15</b>
Net interest income	605.5	617.2	-1.9%	587.4
Net Fee & Commission income	230.3	243.7	-5.5%	193.9
<b>Total income</b>	<b>884.9</b>	<b>1,023.8</b>	<b>-13.6%</b>	<b>1,118.1<sup>1</sup></b>
<b>Total costs</b>	<b>(485.3)</b>	<b>(455.3)</b>	<b>+6.6%</b>	<b>(452.8)</b>
Loan Loss Provisions	(107.7)	(155.9)	-30.9%	(100.0)
<b>Profit before tax</b>	<b>291.9</b>	<b>412.6</b>	<b>-29.3%</b>	<b>565.3</b>
<b>Net profit</b>	<b>221.3</b>	<b>324.8</b>	<b>-31.9%</b>	<b>450.9</b>
Net Interest Margin (NIM)	2.11%	2.30%	-0.19 p.p.	2.06%
NIM excl. CHF portfolio	2.49%	2.70%	-0.21 p.p.	2.38%
Cost/Income ratio	54.8%	44.5%	+10.3 p.p.	40.5%
Cost of Risk	0.55%	0.88%	-0.33 p.p.	0.52%
Return on Equity (ROE)	8.1%	13.6%	-5.5 p.p.	16.2%
Return on Assets (ROA)	0.73%	1.16%	-0.43 p.p.	1.46%

<sup>1</sup> Incl. one-off gain on the sale of BRE Ubezpieczenia TUiR (PLN 194.3 M)

# Summary of Q2/15 Results in mBank Group

## Key Financials: Balance Sheet

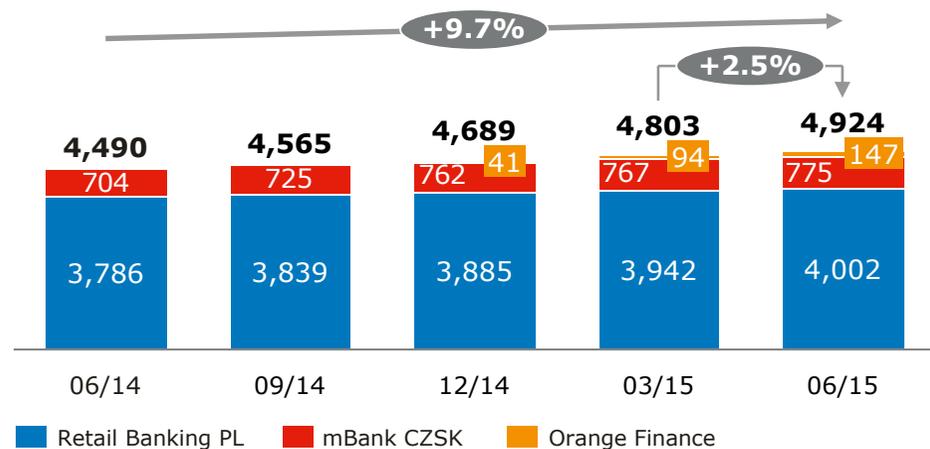
<i>in PLN M</i>	Q2/15	Q2/14	Change YoY	Q1/15
<b>Gross loans to customers</b>	<b>80,261</b>	<b>72,732</b>	 <b>+10.4%</b>	<b>81,883</b>
Retail client loans	45,329	39,664	 +14.3%	43,788
Core corporate client loans <sup>1</sup>	31,384	27,912	 +12.4%	29,728
<b>Amounts due to customers</b>	<b>73,058</b>	<b>63,294</b>	 <b>+15.4%</b>	<b>71,861</b>
Retail client deposits	41,411	35,726	 +15.9%	39,693
Core corporate client deposits <sup>1</sup>	28,663	23,200	 +23.5%	25,743
Loan to Deposit ratio	105.7%	110.8%	 -5.1 p.p.	109.9%
NPL ratio	6.0%	6.4%	 -0.3 p.p.	6.1%
Coverage ratio	56.9%	50.1%	 +6.8 p.p.	53.7%
Common Equity Tier 1 Ratio	13.5%	13.2%	 +0.3 p.p.	12.9%
Total Capital Ratio	16.4%	15.8%	 +0.6 p.p.	16.3%

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

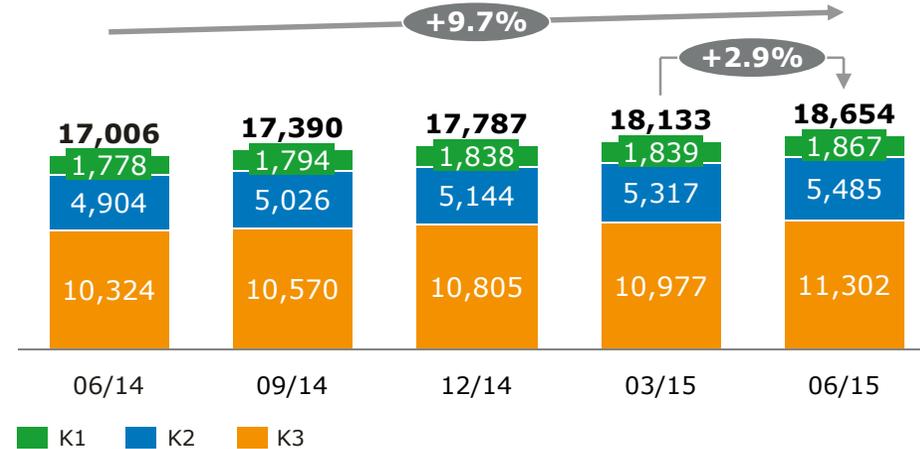
# Summary of Q2/15 in mBank Group

## Business Development: Client acquisition and Market shares

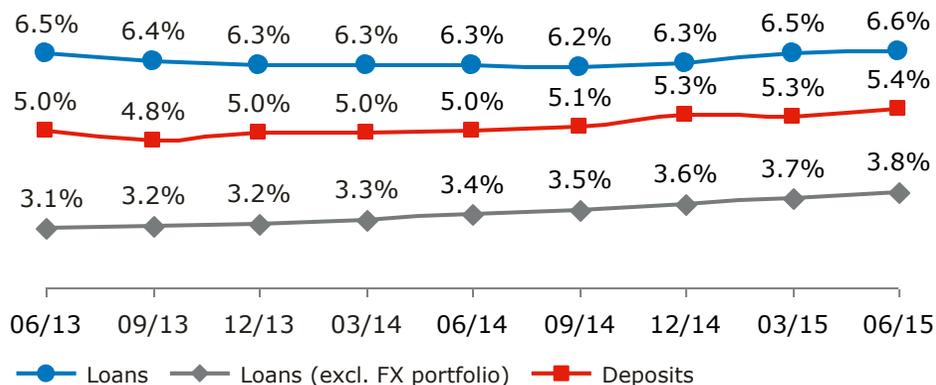
Number of Retail Clients (thou.)



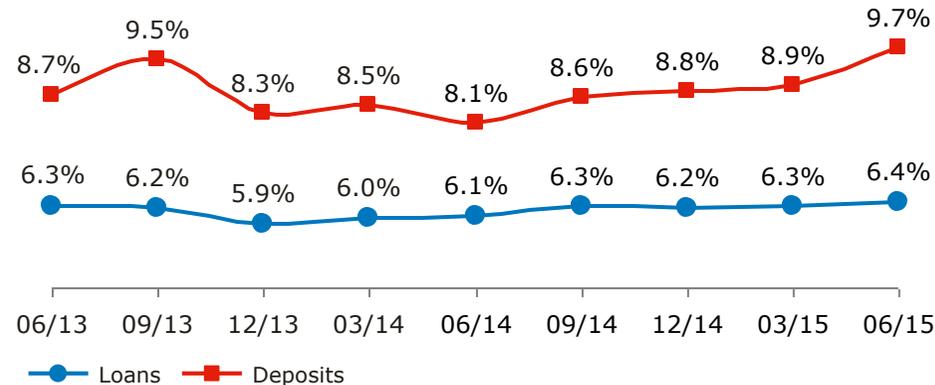
Number of Corporate Clients



Market shares in Retail Banking segment



Market shares in Corporate Banking segment

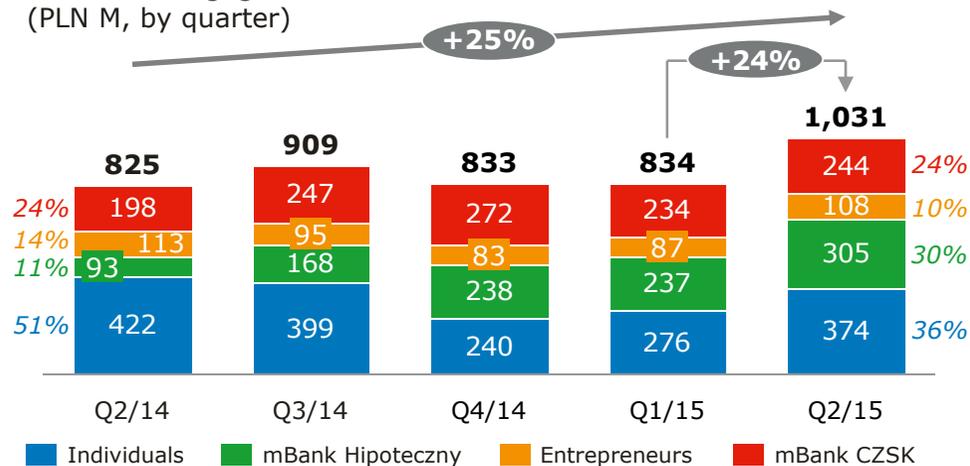


Note: Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3 – annual sales below 30 M.

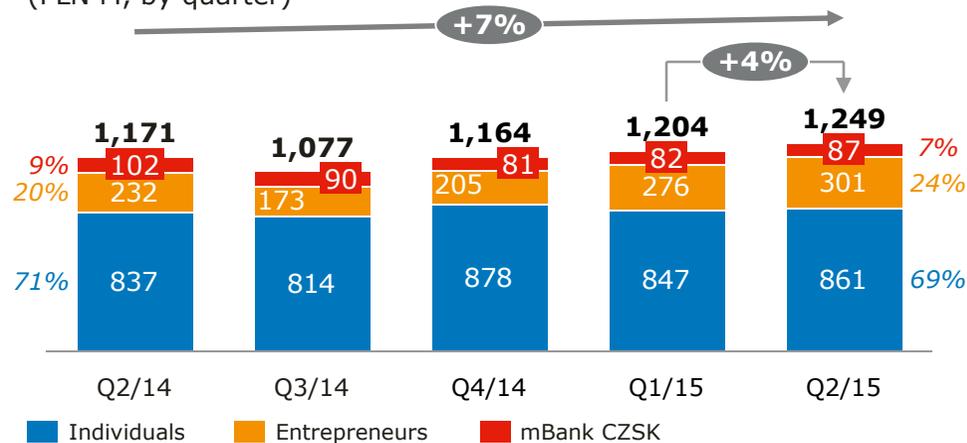
# Summary of Q2/15 in mBank Group

## Development of Retail and Corporate business

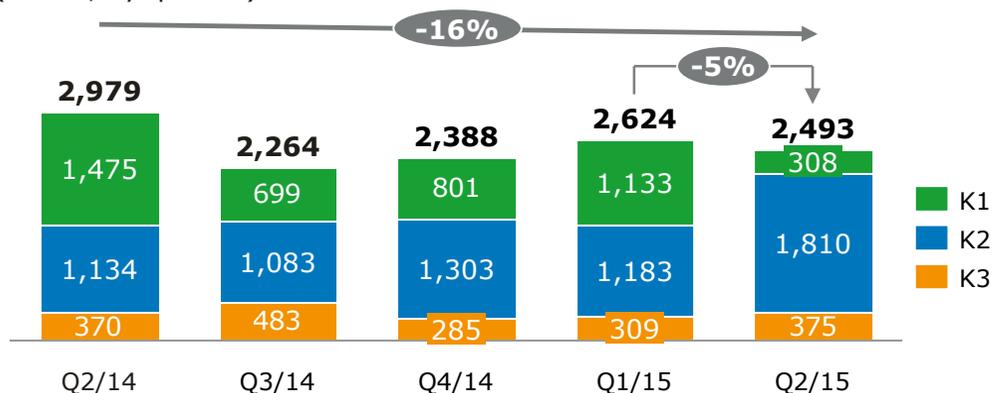
Sales of mortgage loans  
(PLN M, by quarter)



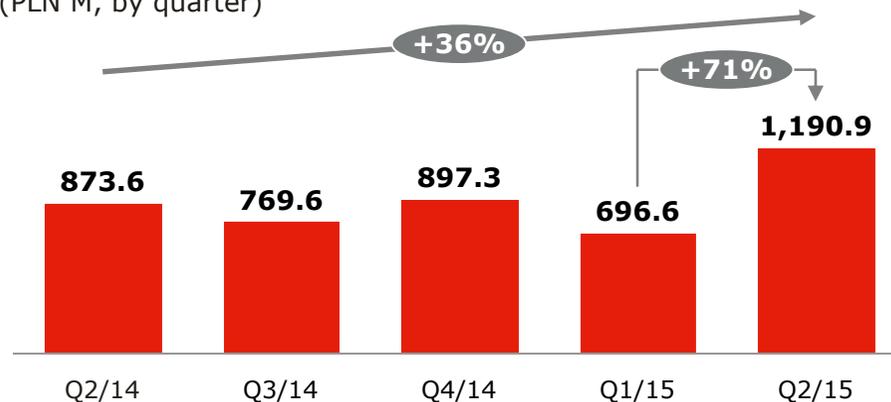
Sales of non-mortgage loans  
(PLN M, by quarter)



Sales of corporate loans  
(PLN M, by quarter)



New leasing contracts  
(PLN M, by quarter)

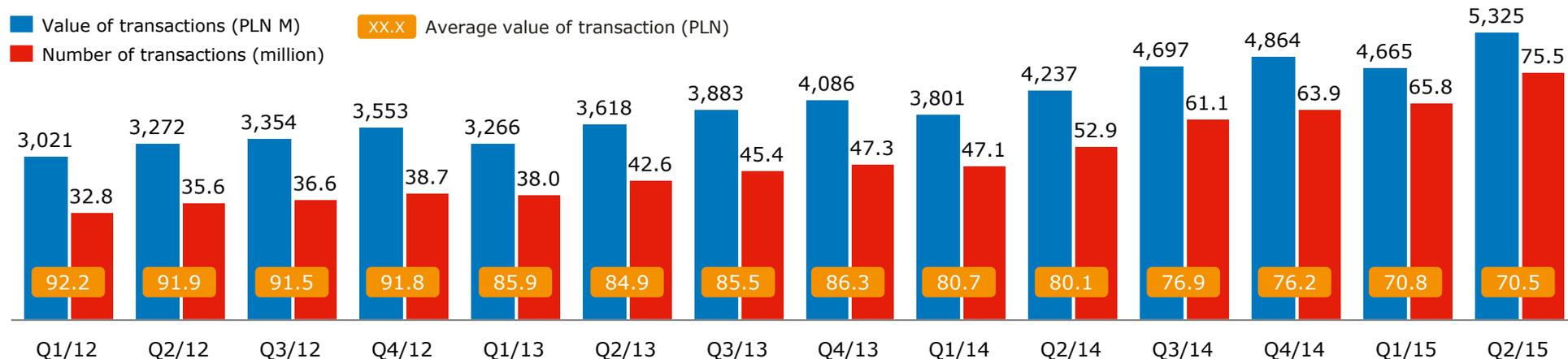


Note: Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3 – annual sales below 30 M.

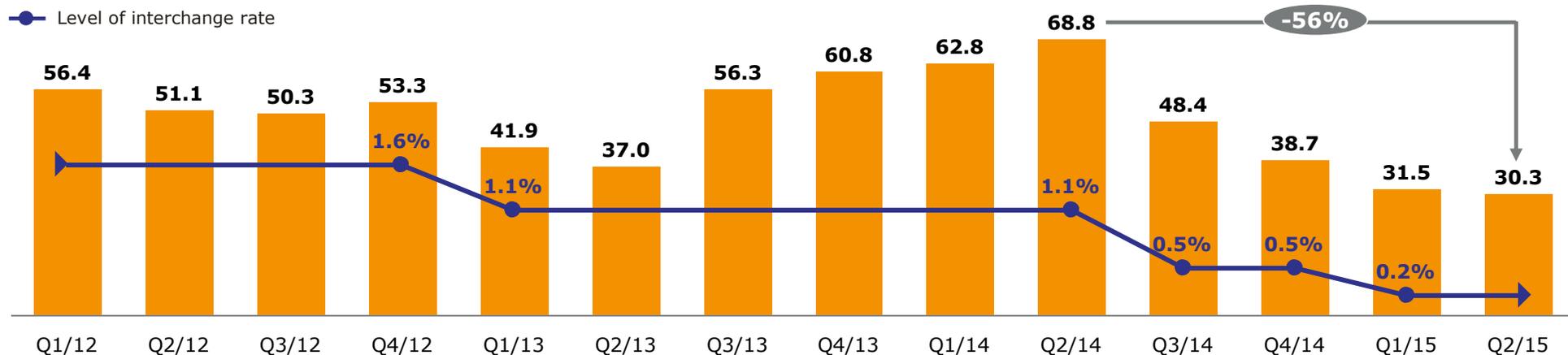
# Summary of Q2/15 in mBank Group

Rapid growth of client transactionality, interchange revenues bottoming out

Development of value and number of non-cash transactions with mBank's payment cards



Development of mBank's net payment cards-related fees (PLN M) and the average rate of interchange on debit card transaction



# Agenda

## Summary of Q2/15 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate business



## Analysis of Q2/15 Results

Development of Loans and Deposits

Development of Income and Costs

Loan Portfolio Quality

Funding Structure Details

Capital and Liquidity Ratios

## Macroeconomic Update

## Appendix

Additional Information: Selected Financial Data

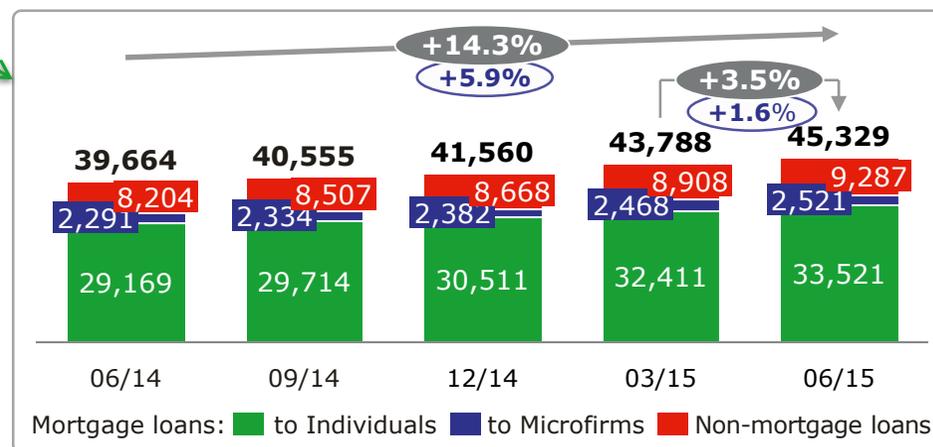
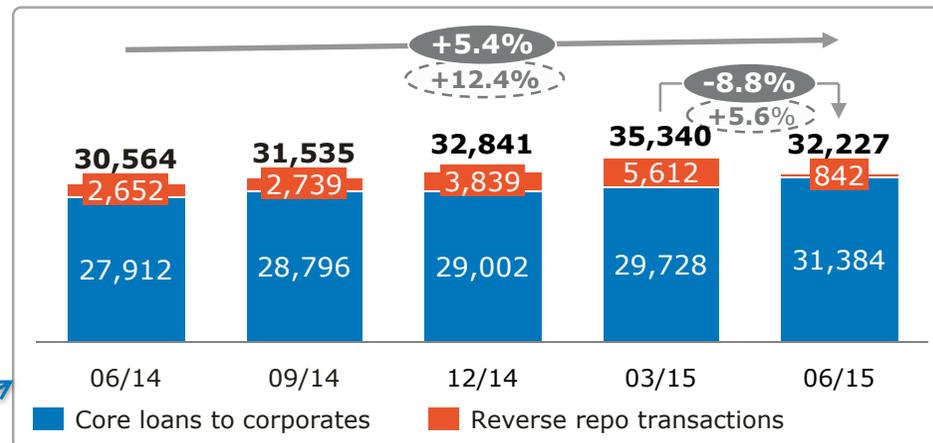
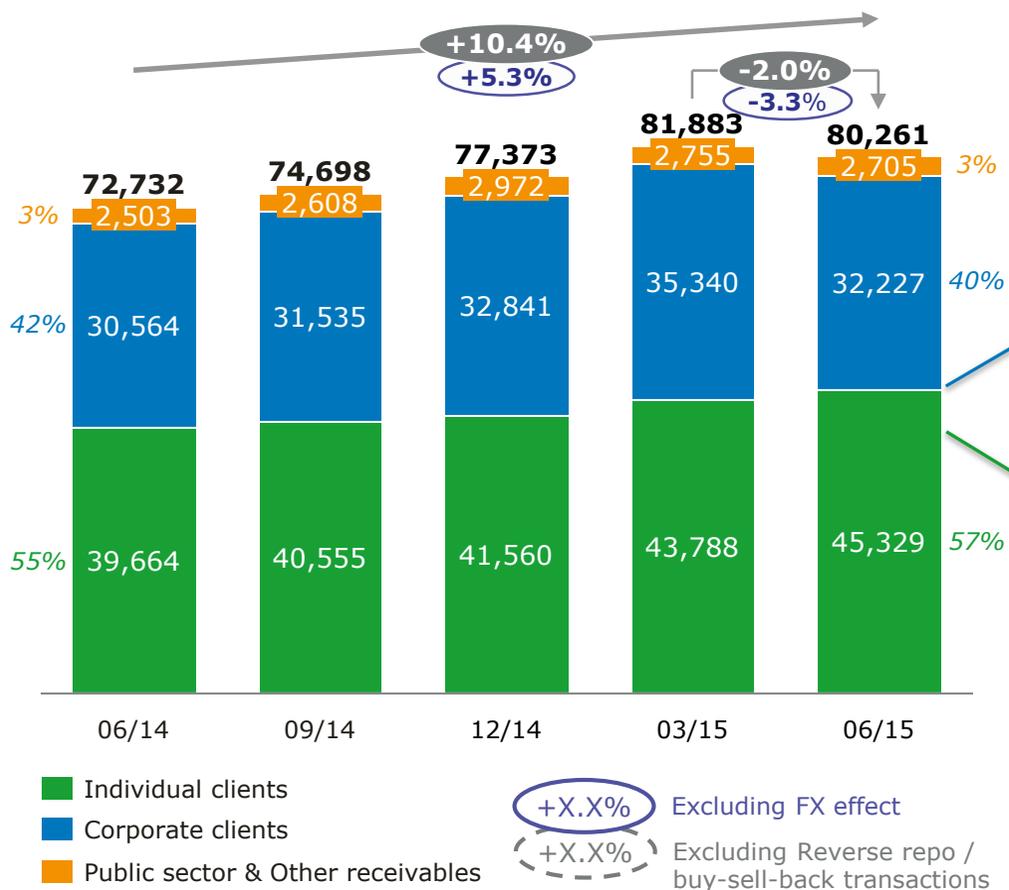
Detailed Results of Business Lines

# Analysis of Q2/15 in mBank Group

Development of Loans to Customers

## Strong loan growth in both retail and corporate segment

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

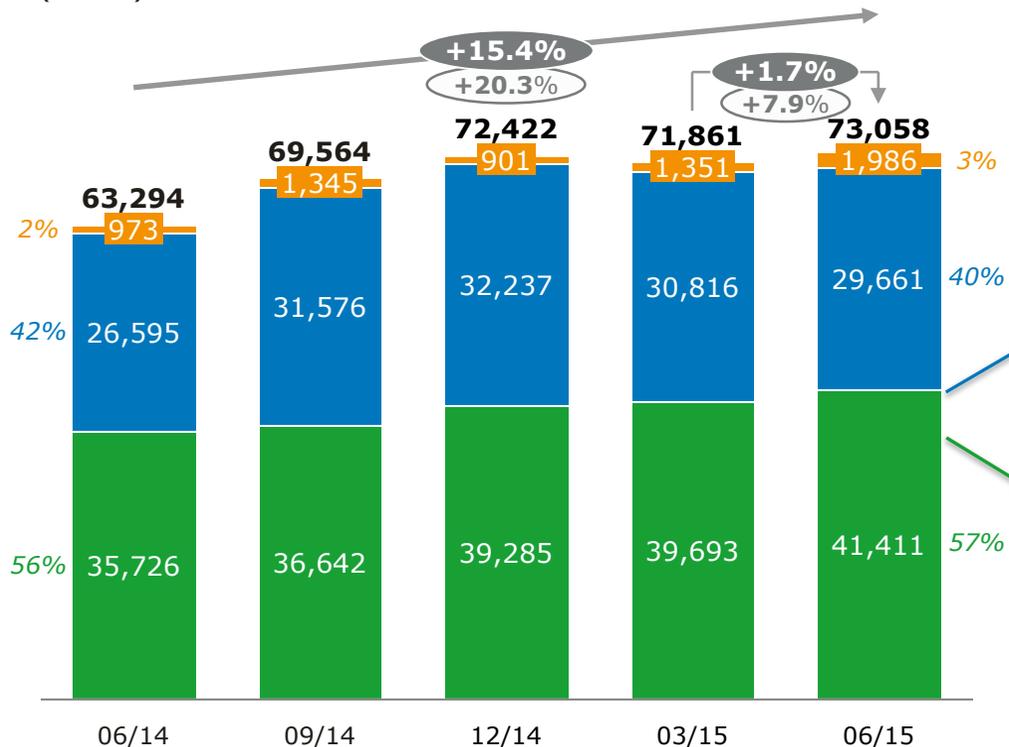


# Analysis of Q2/15 in mBank Group

## Development of Deposits

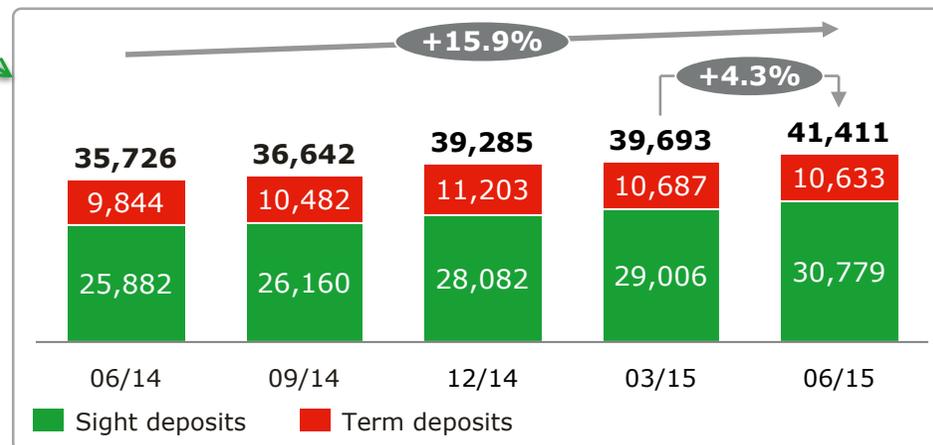
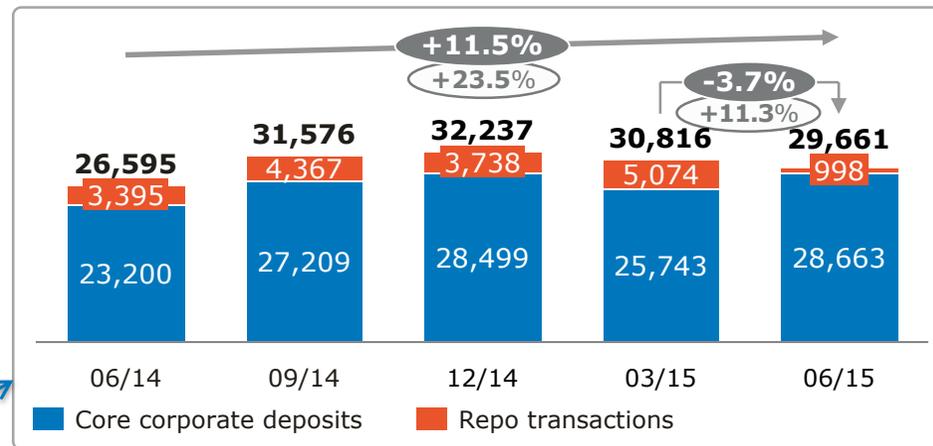
### Accelerating balances on current and saving accounts

Development of Amounts due to Customers (PLN M)



- Individual clients
- Corporate clients
- Public sector

+X.X% Excluding Repo transactions

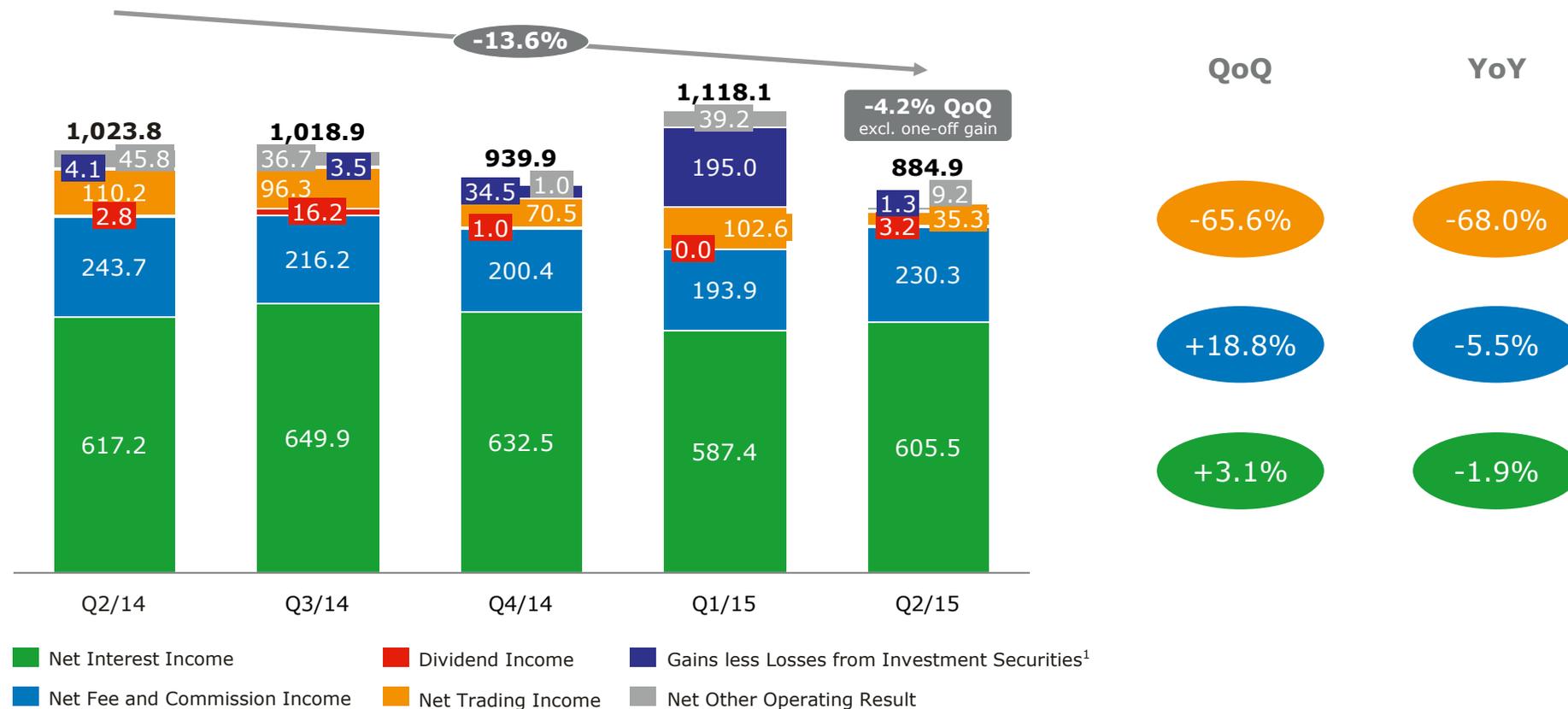


# Analysis of Q2/15 in mBank Group

Income of mBank Group

## Solid core revenues despite continued market pressure

Development of mBank Group's Income (PLN M)



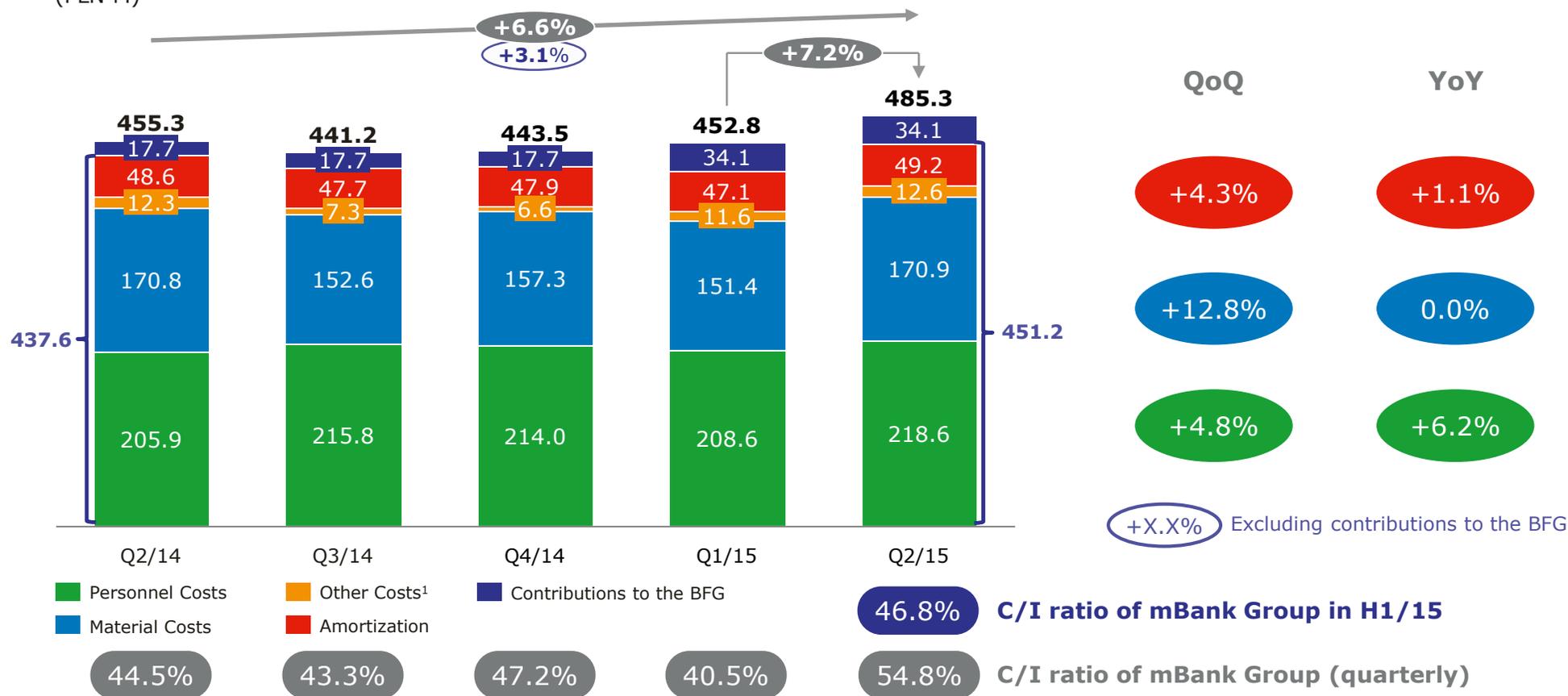
<sup>1</sup> Incl. one-off gain on the sale of BRE Ubezpieczenia TUiR (PLN 194.3 M) in Q1/15

# Analysis of Q2/15 in mBank Group

## Costs of mBank Group

### Cost base reflecting strategic investments

Development of mBank Group's Costs (PLN M)

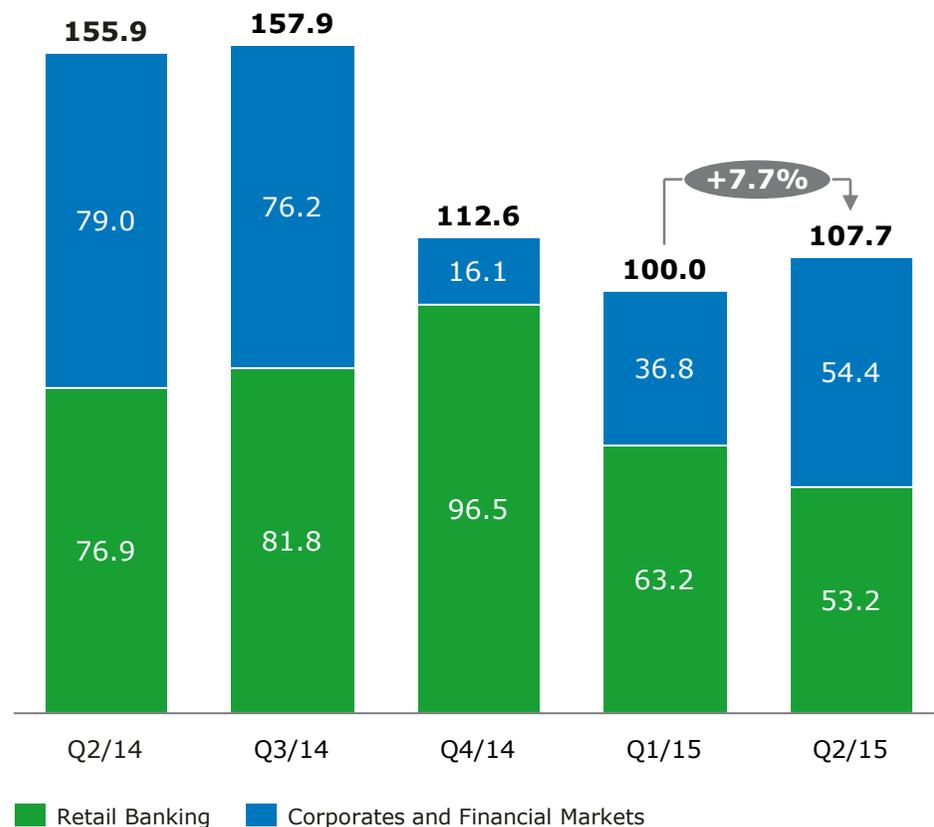


# Analysis of Q2/15 in mBank Group

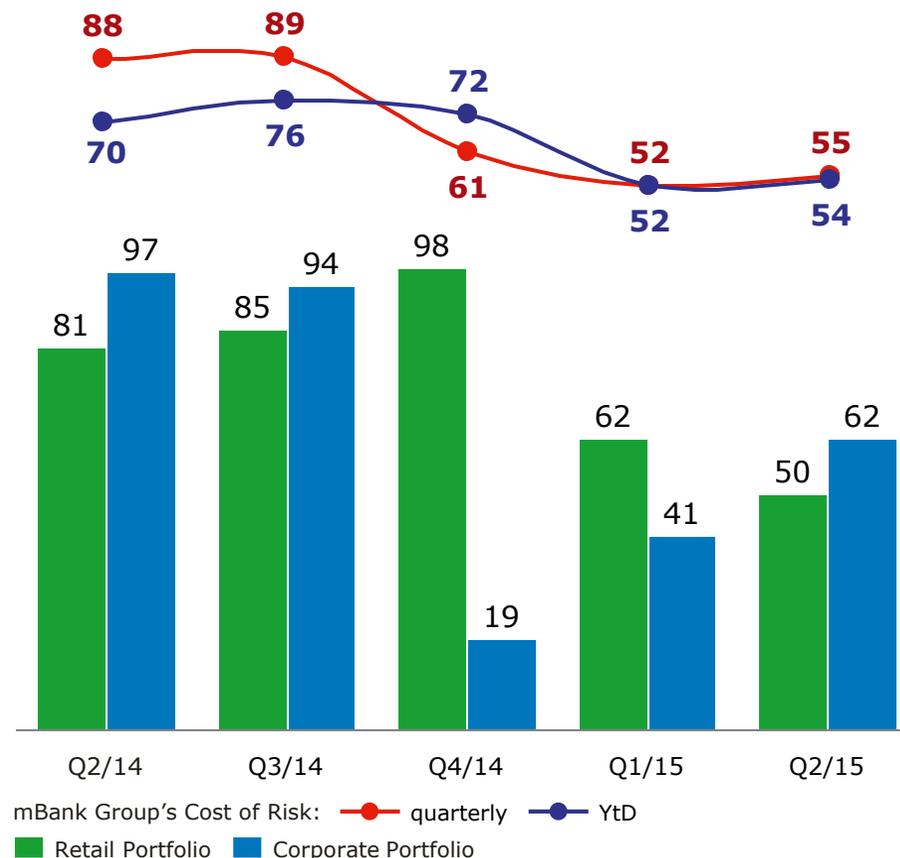
## Loan Loss Provisions and Risk Costs

### Stable cost of risk

Net Impairment Losses on Loans and Advances  
(PLN M)



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



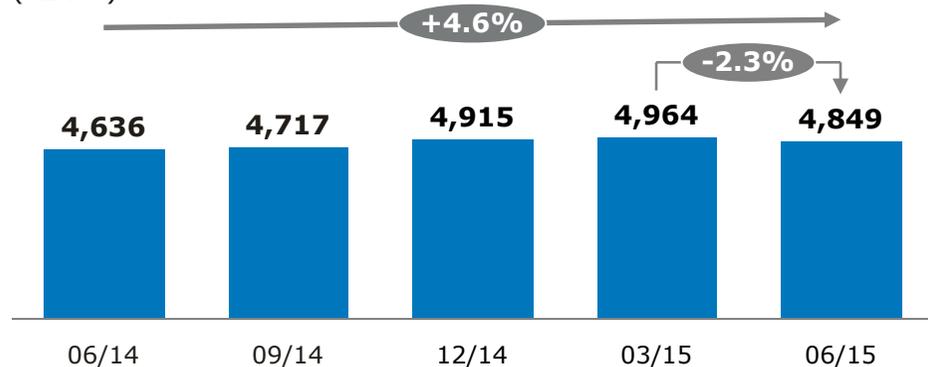
Note: Q2-Q4 2014 segmental data adjusted due to the split of the results of selected mBank Group's subsidiaries into the respective business lines.

# Analysis of Q2/15 in mBank Group

## Loan Portfolio Quality

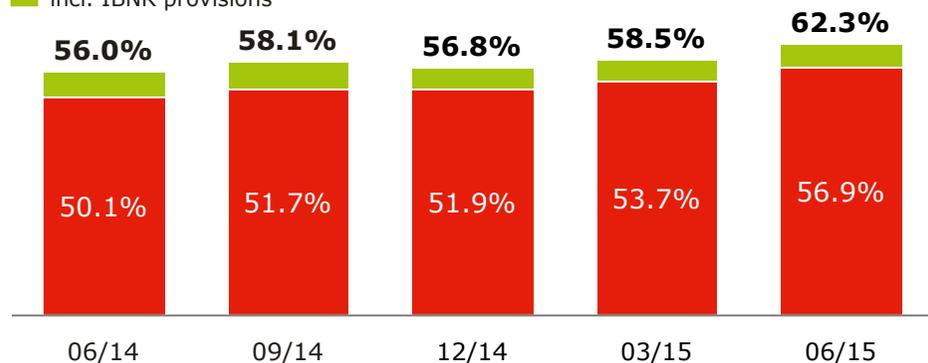
### Improving coverage ratio and risk indicators

mBank Group's Impaired Loans Portfolio (PLN M)

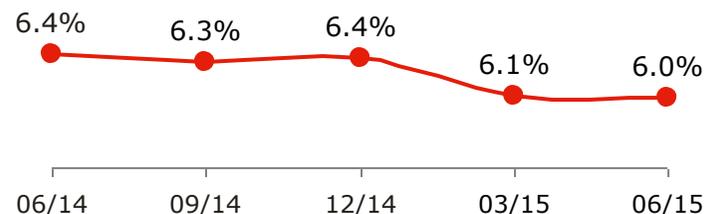


mBank Group's Coverage Ratio

■ incl. IBNR provisions

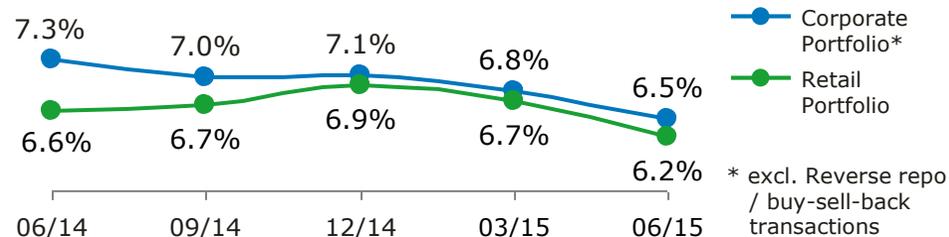


mBank Group's NPL Ratio



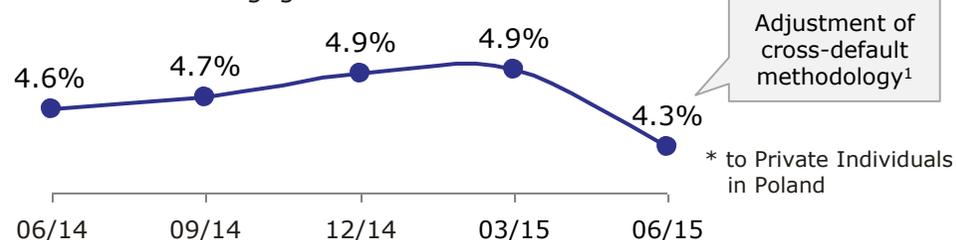
*mBank Group applies a conservative client-oriented approach in its methodology of NPL recognition.*

mBank Group's NPL Ratio by segment



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

NPL Ratio of Mortgage Loan Portfolio\*



Adjustment of cross-default methodology<sup>1</sup>

\* to Private Individuals in Poland

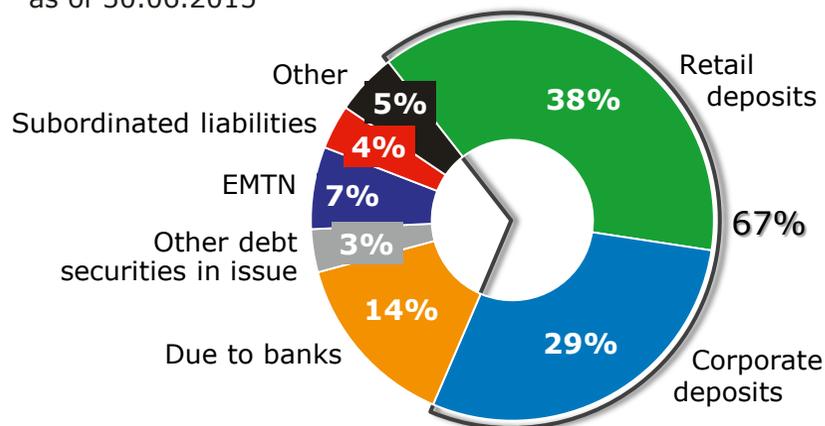
<sup>1</sup> Starting from Q2/15 overdue fees on current accounts and payment cards are excluded from cross-default conditions due to lack of relevance for ML servicing capacity by borrowers

# Analysis of Q2/15 in mBank Group

## Funding Structure Details

### A well diversified funding profile

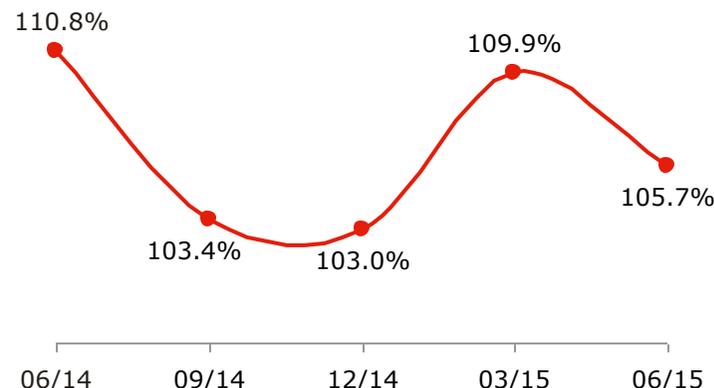
mBank Group's funding structure as of 30.06.2015



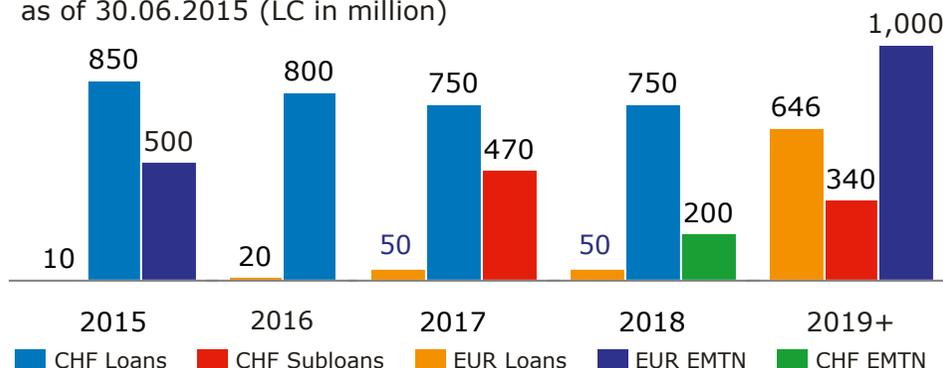
mBank's ratings

Fitch	
Long-term rating	<b>BBB-</b>
Short-term rating	<b>F3</b>
Standard & Poor's	
Long-term credit rating	<b>BBB</b>
Short-term credit rating	<b>A-2</b>

Loan to Deposit Ratio



Maturity of long-term funding instruments in original currencies as of 30.06.2015 (LC in million)



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

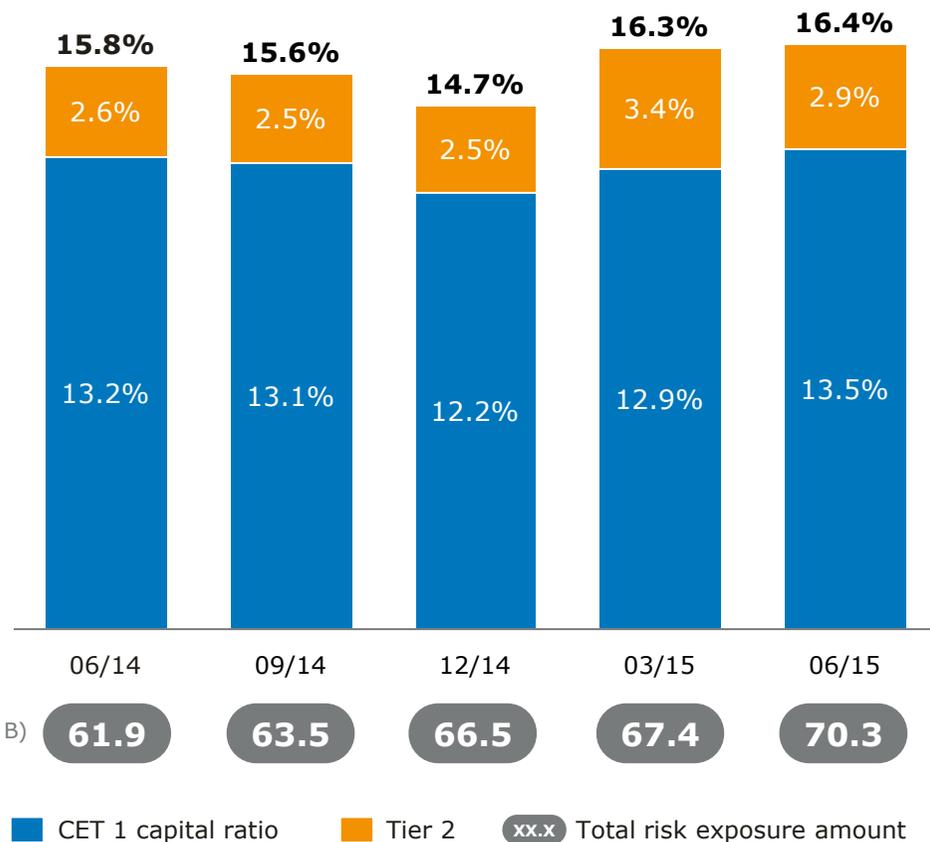
Issue size	Issue date	Maturity date	Tenor	Coupon
EUR 500 M	12-10-2012	12-10-2015	3.0 Y	2.750%
CHF 200 M	08-10-2013	08-10-2018	5.0 Y	2.500%
EUR 500 M	01-04-2014	01-04-2019	<b>5.0 Y</b>	<b>2.375%</b>
EUR 500 M	26-11-2014	26-11-2021	<b>7.0 Y</b>	<b>2.000%</b>

# Analysis of Q2/15 in mBank Group

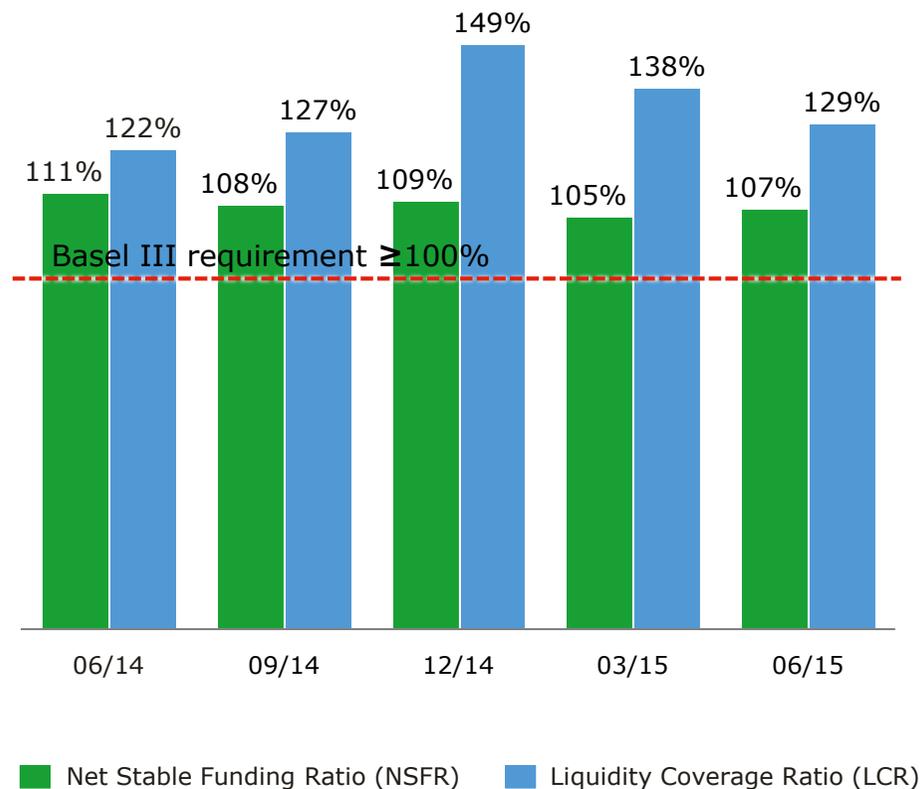
## Key Regulatory Ratios

### Strong capital and liquidity ratios well above regulatory requirements

mBank Group's Total Capital Ratio



mBank's NSFR and LCR



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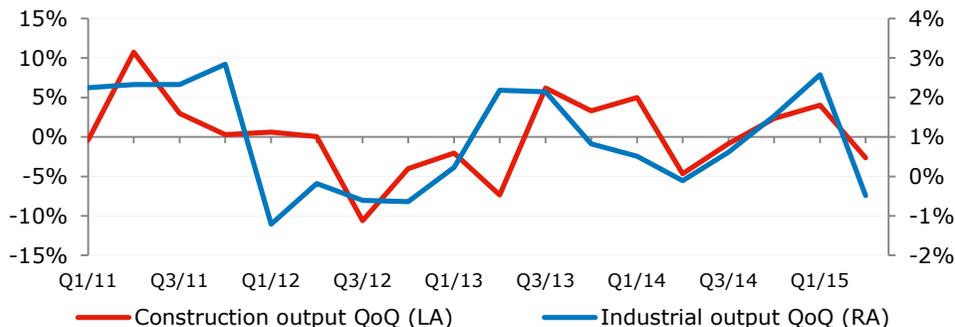
Additional Information: Selected Financial Data

Detailed Results of Business Lines

# Macroeconomic Update (1/2)

## Robust economic growth to continue amid very low inflation

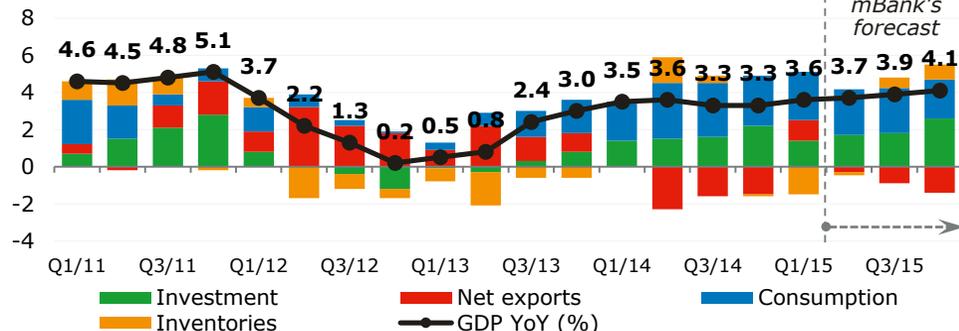
Some loss of momentum in Q2 but ann. figures should remain robust



- Industrial output and construction output slowed down on a sequential basis but the overall loss of momentum is modest. Not enough to prevent GDP from accelerating on YoY basis.

Source: GUS, NBP

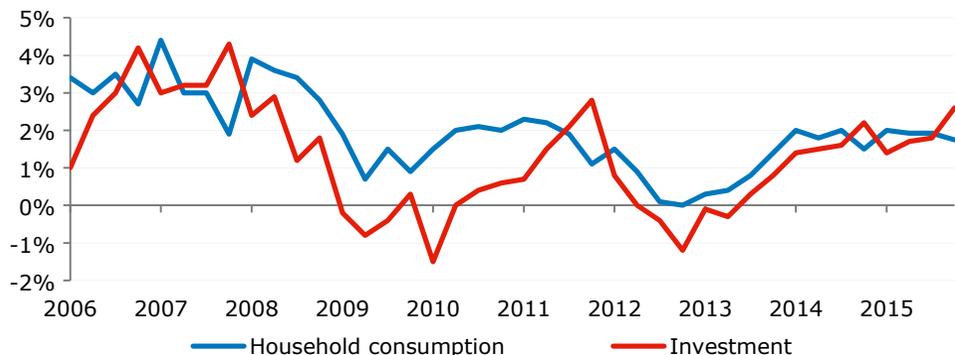
GDP forecast (% YoY)



- Economic growth at ca. 3.7%. Next quarters will see growth accelerating on stronger consumption and investment.

Source: GUS, NBP

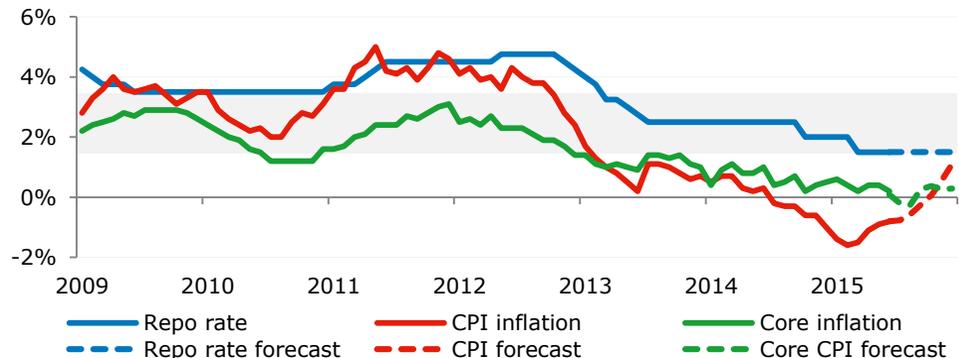
Current mix of investment and consumption is not inflationary



- This is a business cycle more dependent on investment than the previous one. It should be less inflationary (investment -> capital -> potential growth -> higher output gap).

Source: GUS, NBP

Inflation deeply negative, no reason to raise rates now (or in 2016)



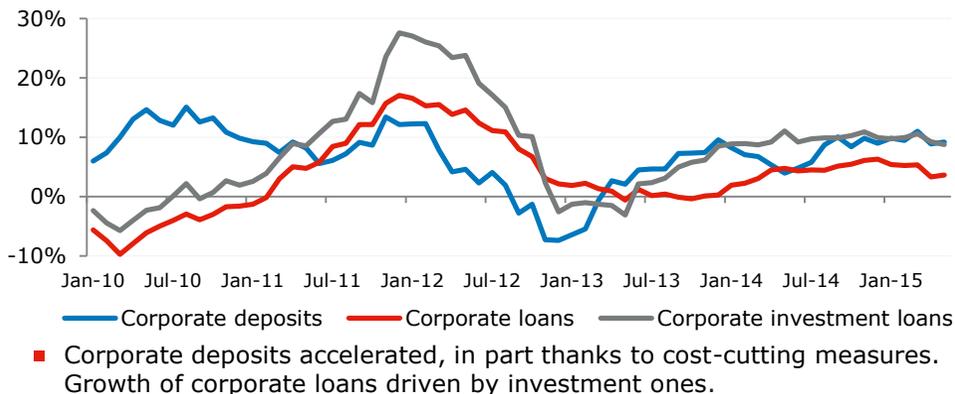
- Disinflation is broad-based and persistent, CPI probably bottomed at -1.6%. It should turn positive in Q4 but downside risks from commodity markets and still large output gap dominate.

Source: GUS

# Macroeconomic Update (2/2)

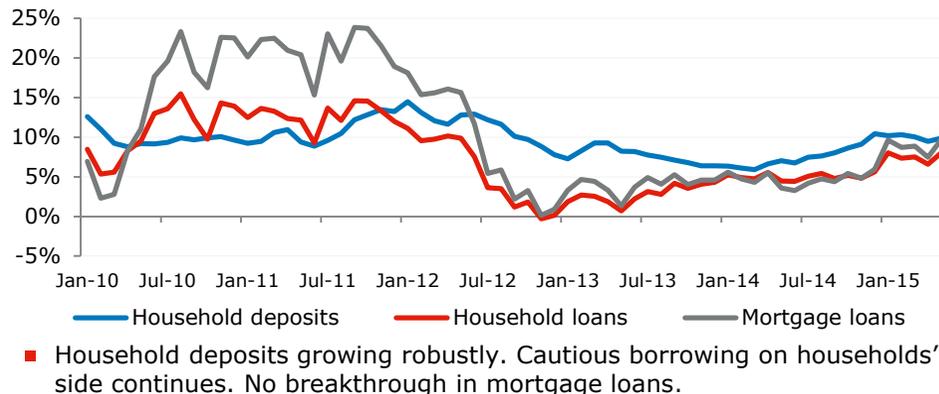
## Strong growth in corporate loans, cautious borrowing by households

Corporate loans and deposits (% YoY)



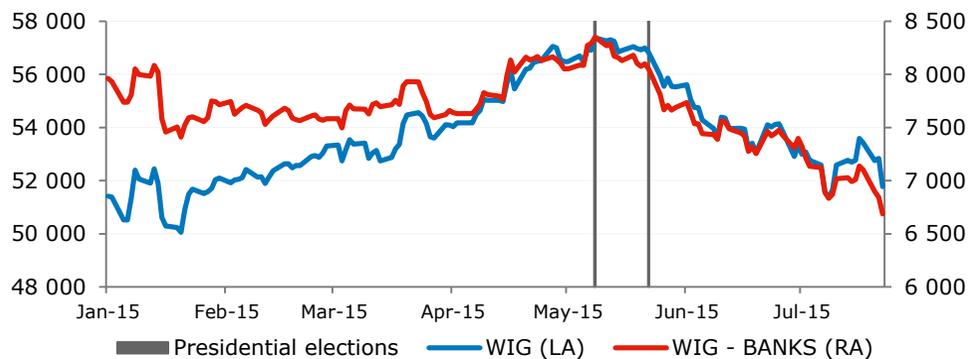
Source: NBP

Household loans and deposits (% YoY)



Source: NBP

Polish equities under severe pressure



Source: Bloomberg

PLN in an uptrend interrupted by risk aversion episodes



Source: Bloomberg

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## Additional Information: Selected Financial Data Consolidated Profit and Loss Account



Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Quarterly results (PLN thou.)	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15
Net interest income	617,232	649,880	632,532	587,439	605,548
Net fee and commission income	243,685	216,234	200,365	193,857	230,336
Dividend income	2,811	16,195	986	31	3,158
Net trading income	110,202	96,324	70,512	102,618	35,312
<i>incl. FX result</i>	69,742	53,539	44,616	78,687	66,000
Gains less losses from investment securities	4,041	3,545	34,495	195,008	1,342
Net other operating income	45,793	36,699	1,017	39,175	9,168
<b>Total income</b>	<b>1,023,764</b>	<b>1,018,877</b>	<b>939,907</b>	<b>1,118,128</b>	<b>884,864</b>
<b>Total operating costs</b>	<b>(455,277)</b>	<b>(441,203)</b>	<b>(443,468)</b>	<b>(452,839)</b>	<b>(485,300)</b>
<i>Overhead costs</i>	(406,665)	(393,523)	(395,570)	(405,708)	(436,133)
<i>Amortisation</i>	(48,612)	(47,680)	(47,898)	(47,131)	(49,167)
Loan loss provisions	(155,860)	(157,917)	(112,639)	(99,971)	(107,666)
<b>Profit before tax</b>	<b>412,627</b>	<b>419,757</b>	<b>383,800</b>	<b>565,318</b>	<b>291,883</b>
<b>Net profit attributable to owners of mBank</b>	<b>324,827</b>	<b>315,454</b>	<b>308,617</b>	<b>450,936</b>	<b>221,323</b>

# Appendix

## Additional Information: Selected Financial Data Consolidated Statement of Financial Position



Summary

Historical view

Profit & Loss

Balance Sheet

Business Lines

Subsidiaries

<b>Assets (PLN thou.)</b>	<b>Q2/14</b>	<b>Q3/14</b>	<b>Q4/14</b>	<b>Q1/15</b>	<b>Q2/15</b>
Cash and balances with Central Bank	1 418 016	4 176 981	3 054 549	2 406 938	3 187 463
Loans and advances to banks	4 933 231	3 721 009	3 751 415	4 052 272	2 071 953
Trading securities	2 812 471	2 637 559	1 163 944	2 043 083	2 597 284
Derivative financial instruments	3 017 875	4 073 025	4 865 517	4 824 571	3 345 943
<b>Loans and advances to customers</b>	<b>70 137 177</b>	<b>71 958 401</b>	<b>74 582 350</b>	<b>78 977 052</b>	<b>77 241 598</b>
Investment securities	27 128 055	28 154 394	27 678 614	28 442 073	29 515 812
Intangible assets	460 135	448 246	465 626	458 185	469 853
Tangible fixed assets	710 505	700 870	717 377	706 458	691 833
Other assets	1 329 980	1 456 810	1 706 430	1 383 256	1 482 376
<b>Total assets</b>	<b>111 947 445</b>	<b>117 327 295</b>	<b>117 985 822</b>	<b>123 293 888</b>	<b>120 604 115</b>
<b>Liabilities (PLN thou.)</b>	<b>Q2/14</b>	<b>Q3/14</b>	<b>Q4/14</b>	<b>Q1/15</b>	<b>Q2/15</b>
Amounts due to other banks	22 297 031	19 777 664	13 383 829	17 839 429	15 675 919
Derivative financial instruments	2 915 003	3 969 956	4 719 056	4 838 248	3 302 248
<b>Amounts due to customers</b>	<b>63 293 721</b>	<b>69 563 534</b>	<b>72 422 479</b>	<b>71 861 014</b>	73 058 259
Debt securities in issue	7 696 154	8 009 714	10 341 742	10 382 134	11 013 855
Subordinated liabilities	3 278 869	3 312 935	4 127 724	4 436 572	3 896 612
Other liabilities	2 147 252	1 913 576	1 918 012	2 336 627	2 109 689
<b>Total liabilities</b>	<b>101 628 030</b>	<b>106 547 379</b>	<b>106 912 842</b>	<b>111 694 024</b>	<b>109 056 582</b>
<b>Total equity</b>	<b>10 319 415</b>	<b>10 779 916</b>	<b>11 072 980</b>	<b>11 599 864</b>	<b>11 547 533</b>
<b>Total equity and liabilities</b>	<b>111 947 445</b>	<b>117 327 295</b>	<b>117 985 822</b>	<b>123 293 888</b>	<b>120 604 115</b>

# Appendix

## Additional Information: Selected Financial Data mBank Group's Ratios

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Financial Ratios	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15
Net Interest Margin ( <i>quarterly</i> )	2.30%	2.32%	2.27%	2.06%	2.11%
Net Interest Margin YtD	2.30%	2.31%	2.30%	2.06%	2.08%
Net Interest Margin YtD (excl. CHF portfolio)	2.72%	2.72%	2.70%	2.38%	2.43%
Cost to Income Ratio ( <i>quarterly</i> )	44.5%	43.3%	47.2%	40.5%	54.8%
Cost to Income Ratio YtD	44.7%	44.2%	44.9%	40.5%	46.8%
Cost of Risk ( <i>quarterly</i> )	0.88%	0.89%	0.61%	0.52%	0.55%
Cost of Risk YtD	0.70%	0.76%	0.72%	0.52%	0.54%
ROE net ( <i>quarterly</i> )	13.55%	12.84%	12.43%	16.40%	8.12%
ROE net YtD	13.64%	13.37%	13.13%	16.40%	12.28%
ROA net YtD	1.21%	1.16%	1.13%	1.48%	1.10%
Loans to Deposits	110.8%	103.4%	103.0%	109.9%	105.7%
Total Capital Ratio	15.79%	15.57%	14.66%	16.26%	16.38%
Common Equity Tier 1 Ratio	13.20%	13.05%	12.24%	12.88%	13.45%
Equity / Assets	9.2%	9.2%	9.4%	9.4%	9.6%
RWA / Assets	55.3%	54.2%	56.4%	54.7%	58.3%
NPL ratio	6.4%	6.3%	6.4%	6.1%	6.0%
NPL coverage ratio	50.1%	51.7%	51.9%	53.7%	56.9%
NPL coverage ratio incl. general provisions	56.0%	58.1%	56.8%	58.5%	62.3%

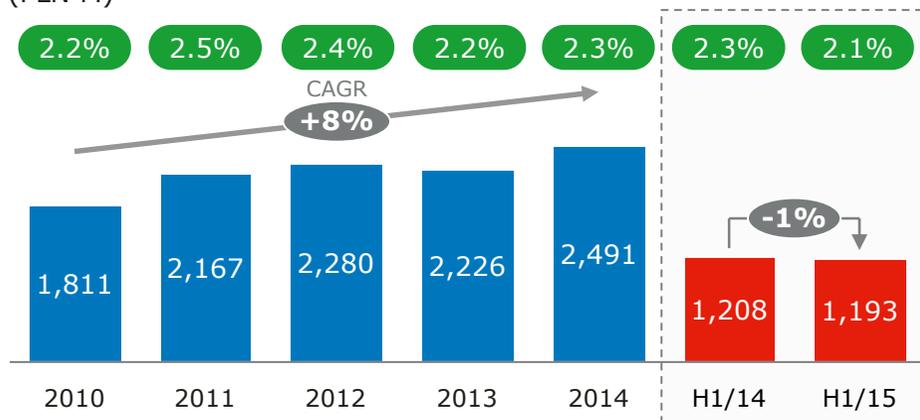
# Appendix

## mBank Group's historical performance (1/3)

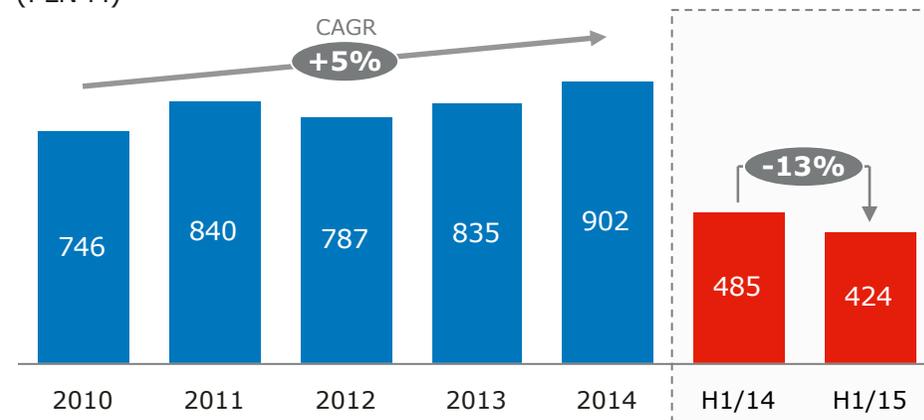


Summary
<b>Historical view</b>
Profit & Loss
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Subsidiaries

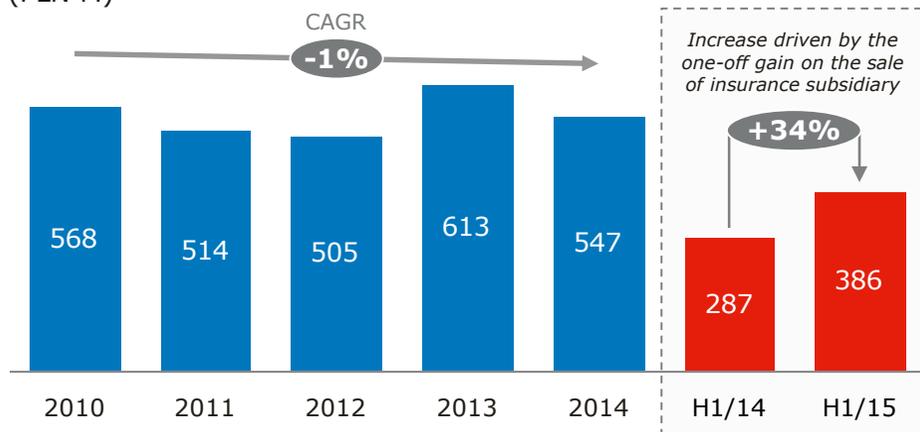
Net Interest Income & NIM  
(PLN M)



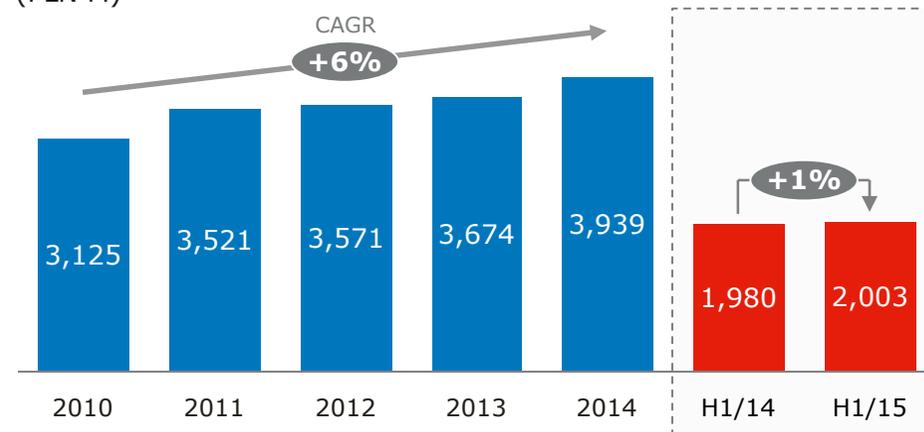
Net Fee and Commission Income  
(PLN M)



Trading and Other Income  
(PLN M)



Total Income  
(PLN M)



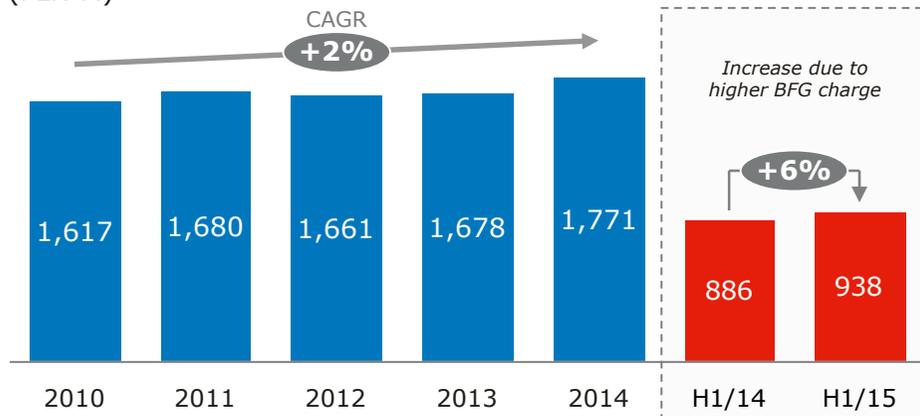
# Appendix

## mBank Group's historical performance (2/3)

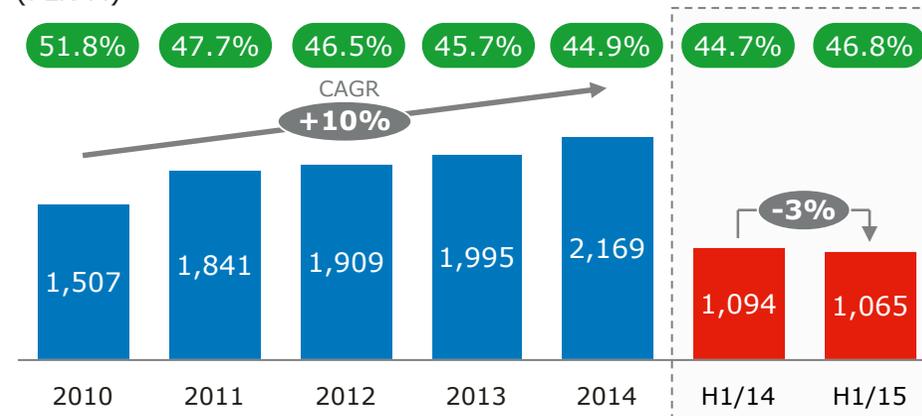


Summary
<b>Historical view</b>
Profit & Loss
Balance Sheet
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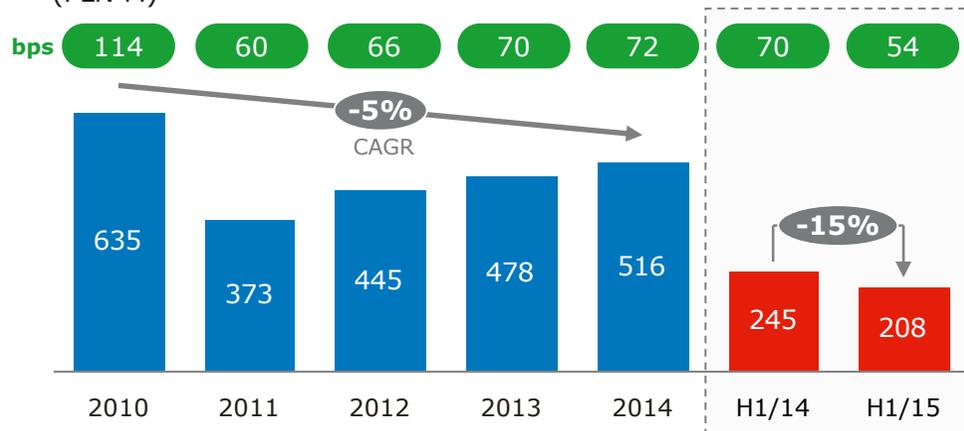
Operating Costs  
(PLN M)



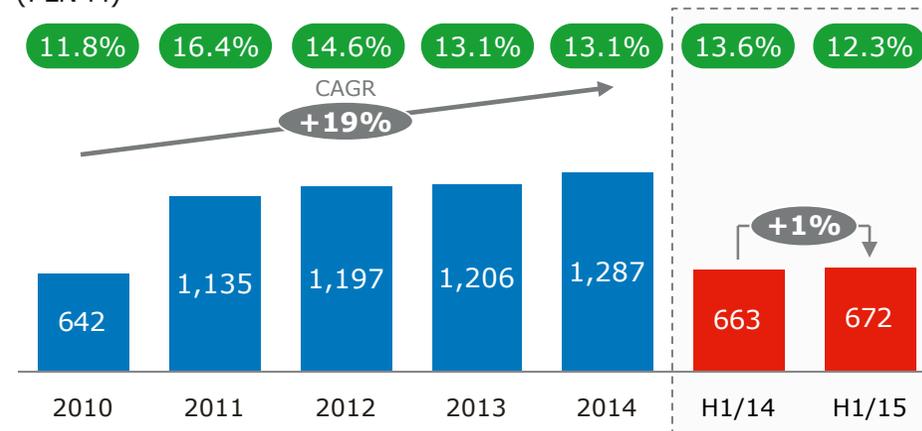
Pre-provision Income & C/I ratio  
(PLN M)



Loan Loss Provisions & Cost of Risk  
(PLN M)



Net Profit & Return on Equity  
(PLN M)



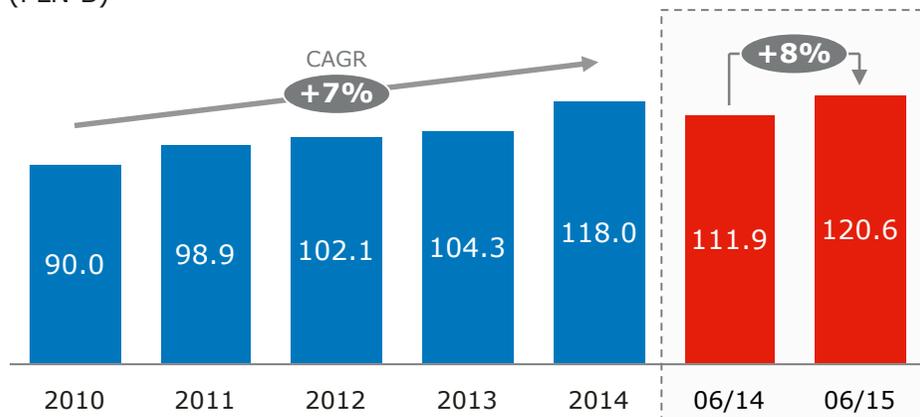
# Appendix

## mBank Group's historical performance (3/3)

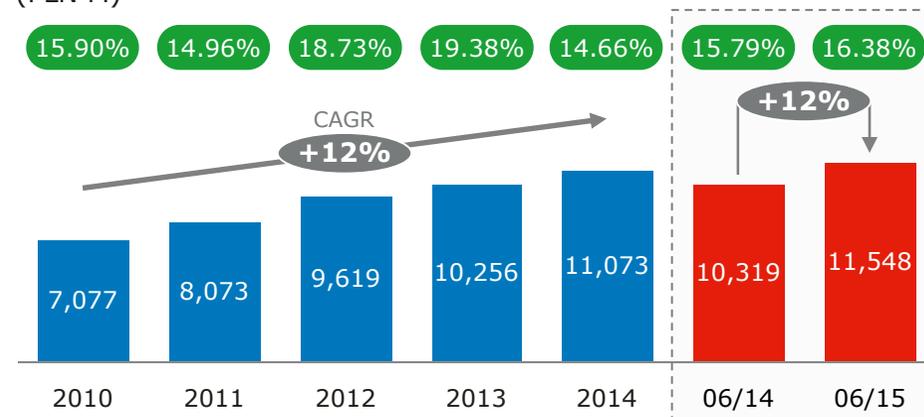


Summary
<b>Historical view</b>
Profit & Loss
Balance Sheet
Business Lines
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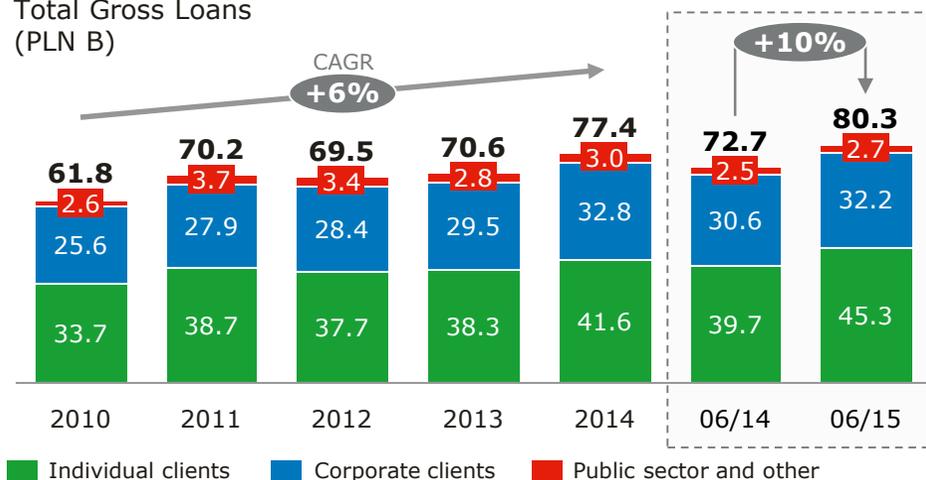
Total Assets  
(PLN B)



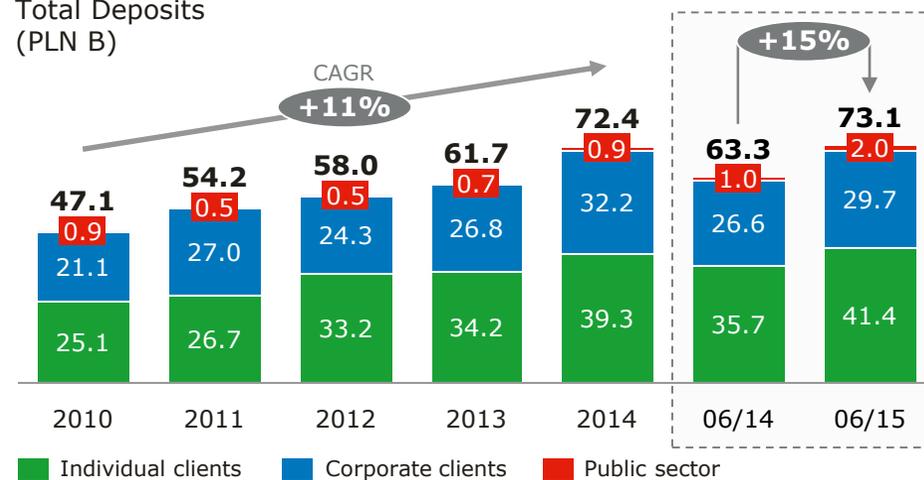
Equity & CAR  
(PLN M)



Total Gross Loans  
(PLN B)



Total Deposits  
(PLN B)



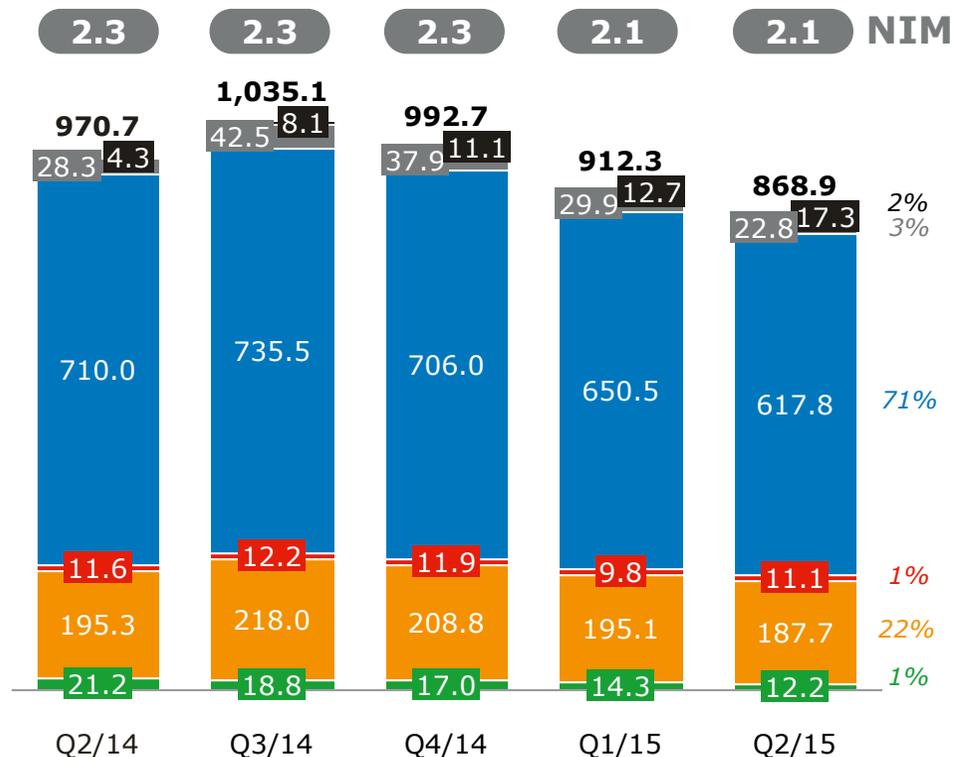
# Appendix

## Additional Information: Selected Financial Data Net Interest Income & Margin

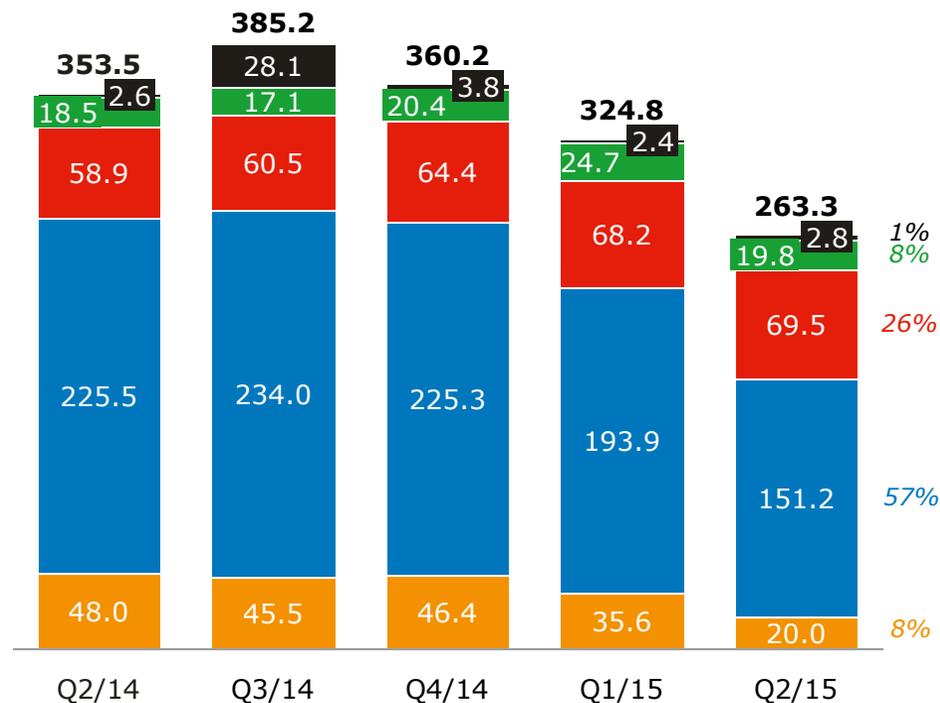


Summary
Historical view
<b>Profit &amp; Loss</b>
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Interest Income Structure  
(PLN M)



Interest Expense Structure  
(PLN M)



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

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

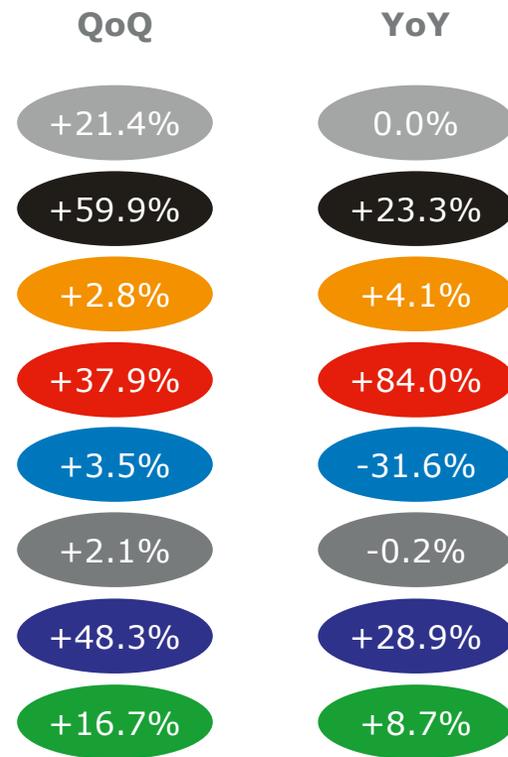
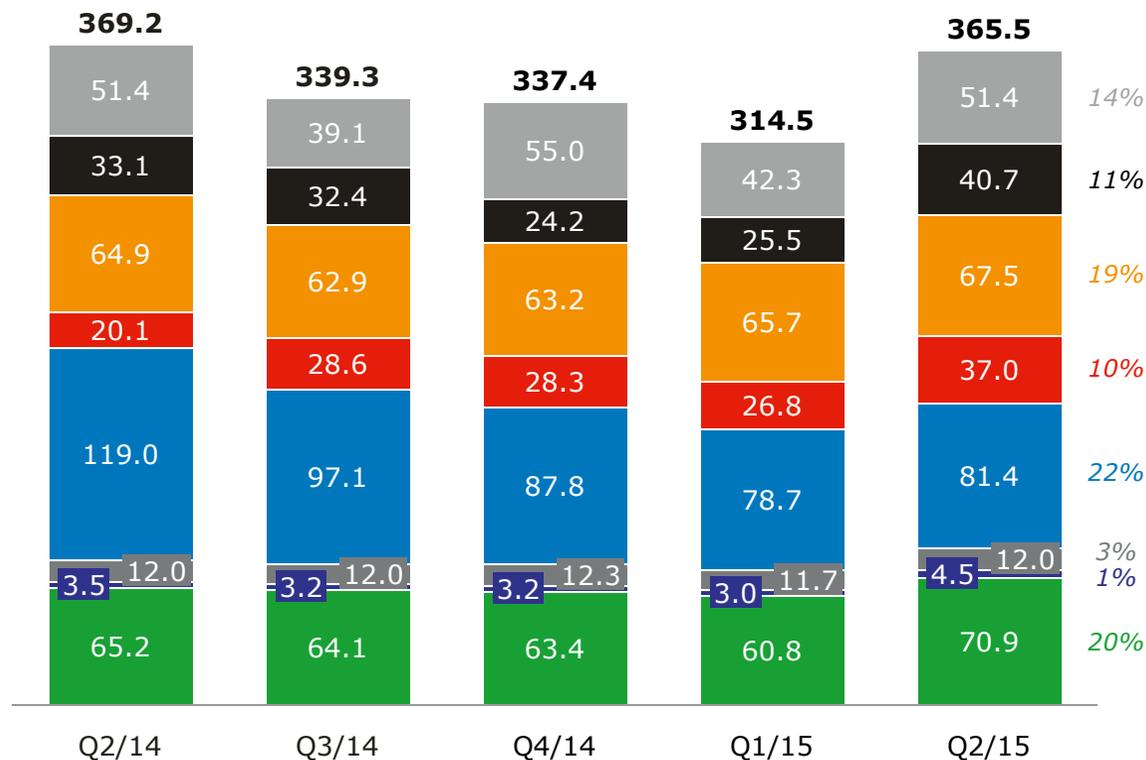
# Appendix



Summary
Historical view
<b>Profit &amp; Loss</b>
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## Additional Information: Selected Financial Data Fee and Commission Income

Fee and Commission Income Structure  
(PLN M)



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

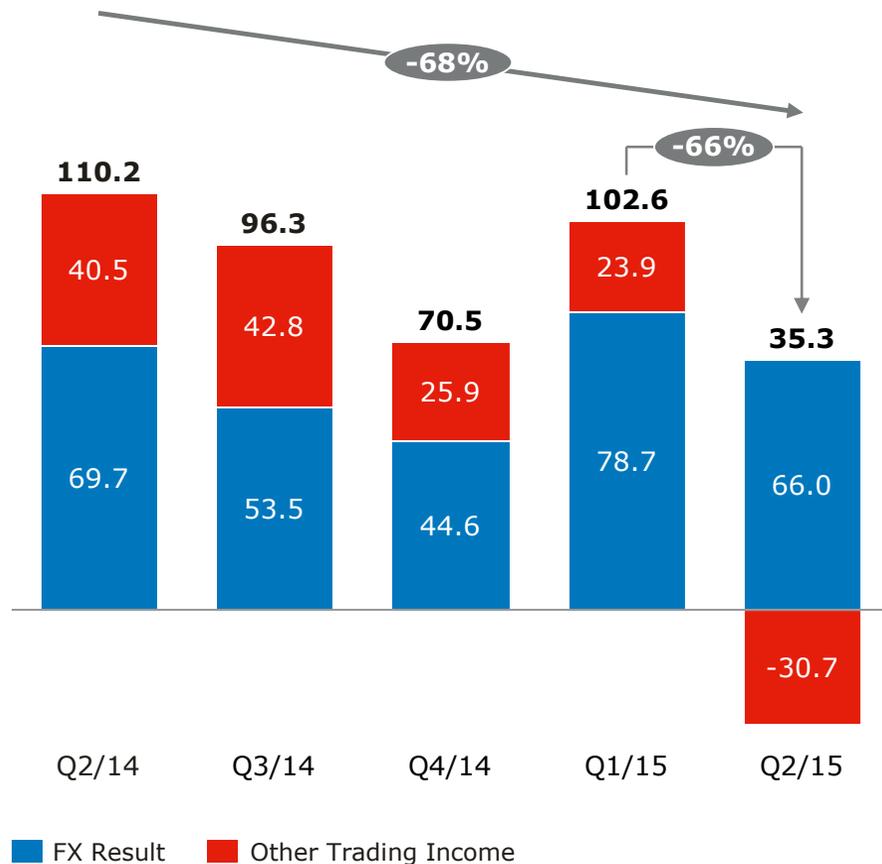
# Appendix

## Additional Information: Selected Financial Data Trading and Other Income

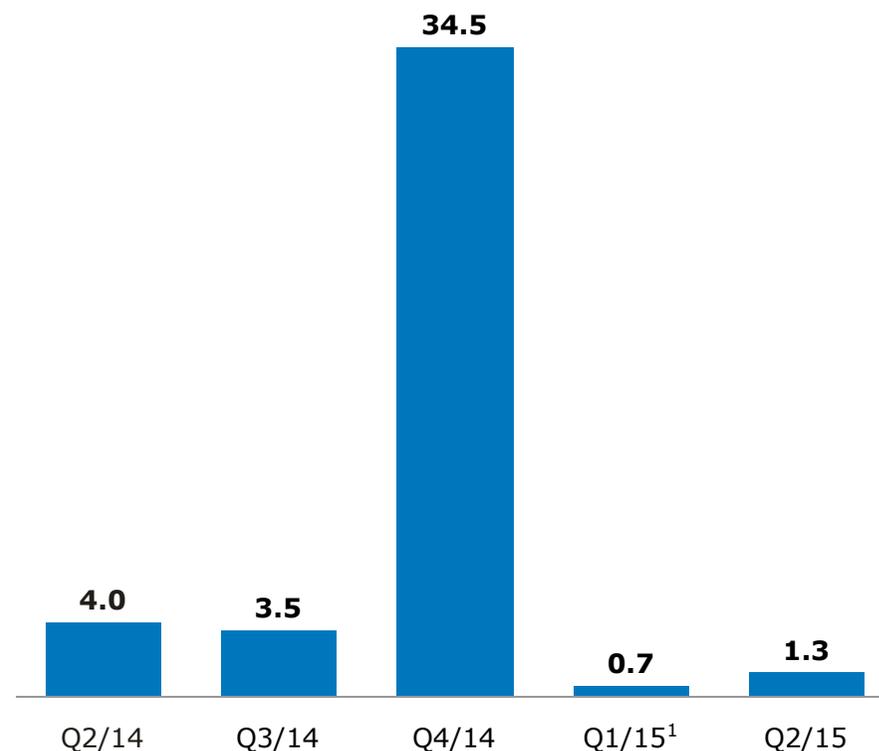


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Net Trading Income Structure  
(PLN M)



Gains less Losses from Investment Securities  
(PLN M)



<sup>1</sup> Excl. one-off gain on the sale of BRE Ubezpieczenia TUiR (PLN 194.3 M)

# Appendix

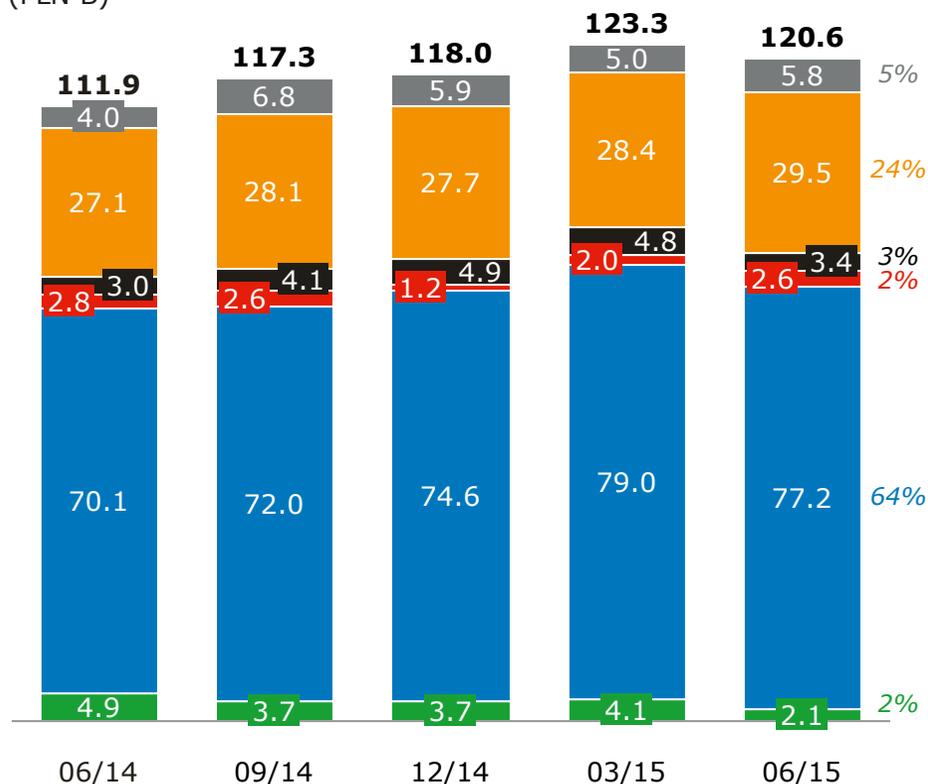


mBank  
Analyzer

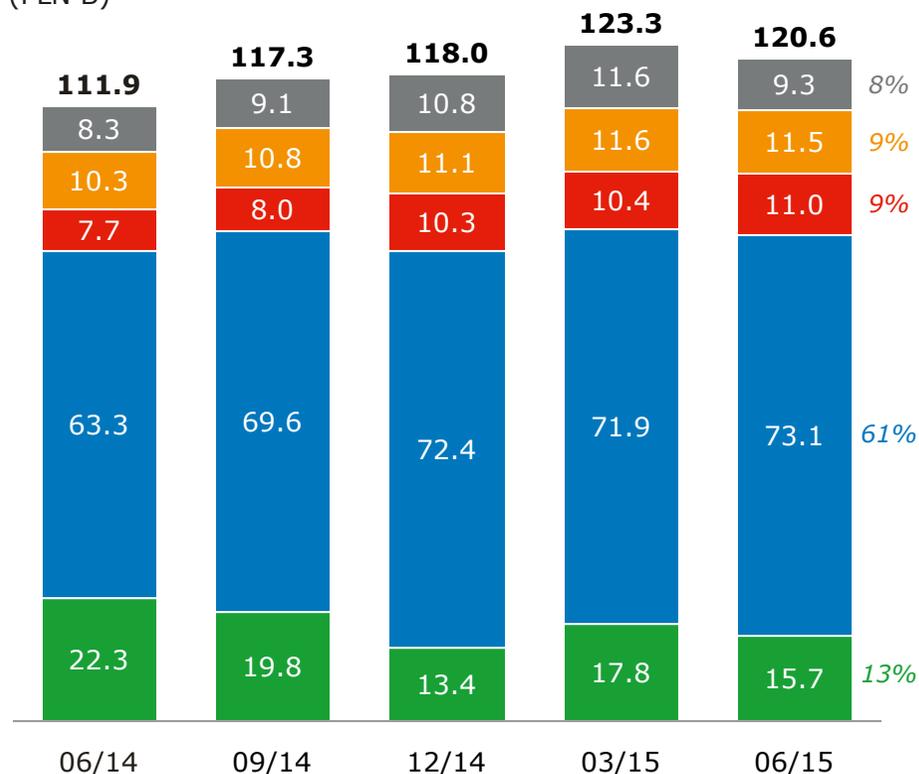
Summary
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## Additional Information: Selected Financial Data Balance Sheet Analysis: Assets & Liabilities

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

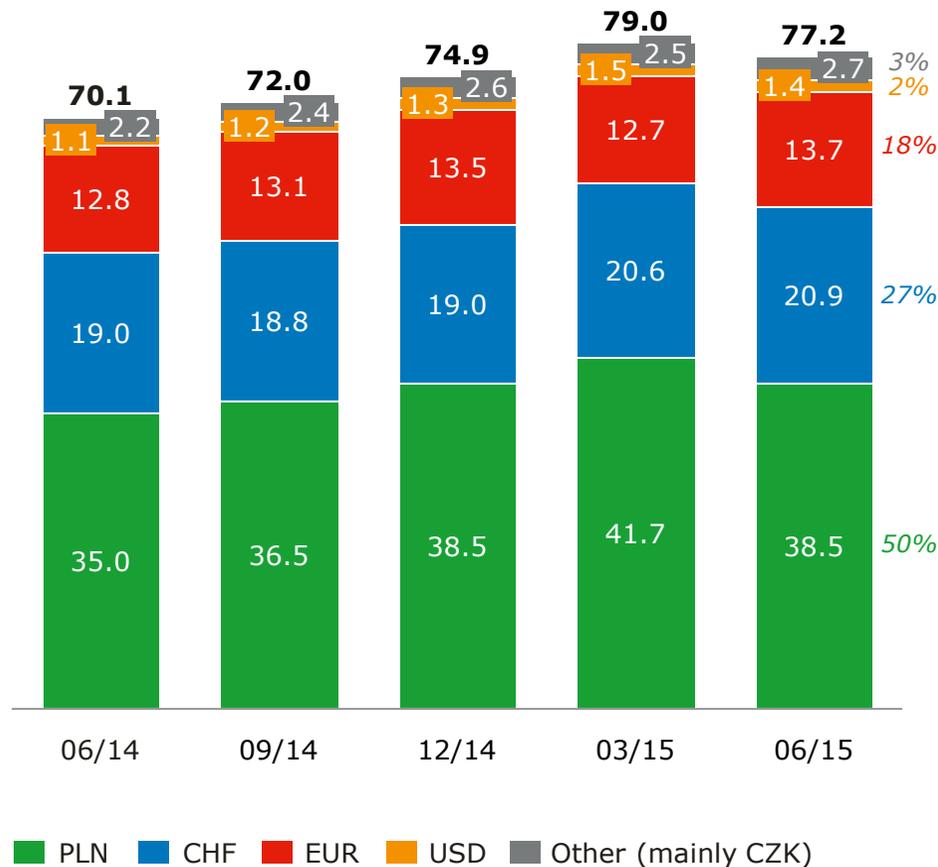
# Appendix



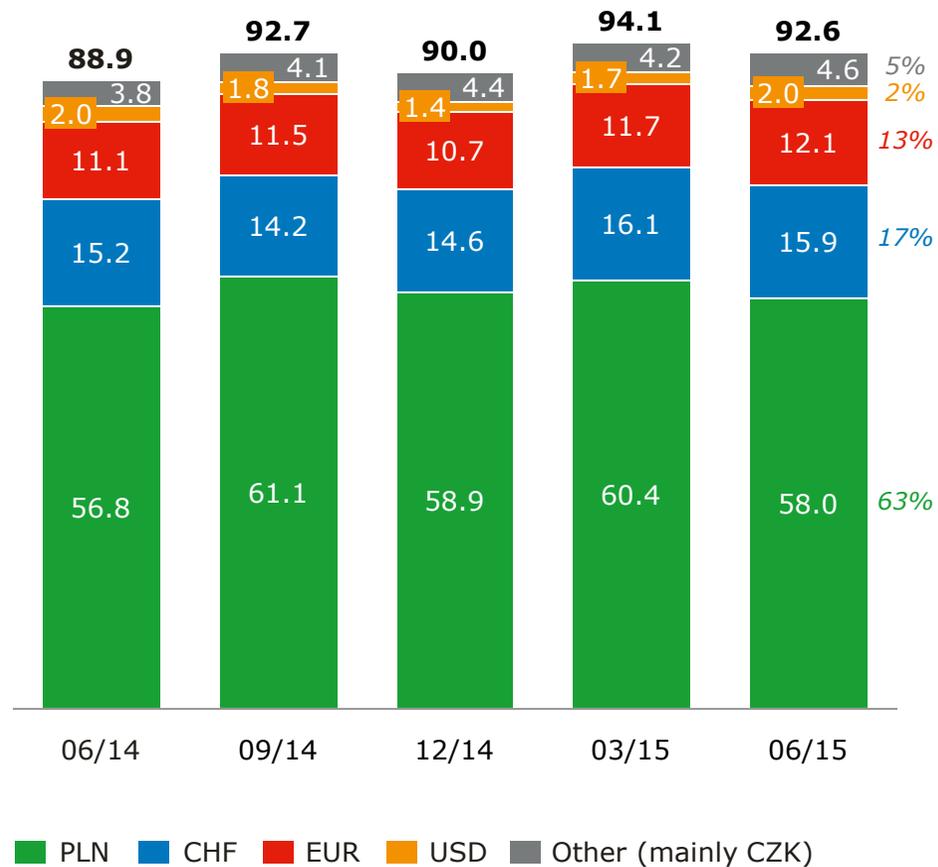
Summary
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## Additional Information: Selected Financial Data Balance Sheet Analysis: Currency Structure

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



Currency Structure of Amounts due to Banks and Customers<sup>1</sup>  
(PLN B)



<sup>1</sup> Incl. amounts due to other banks and customers and subordinated liabilities

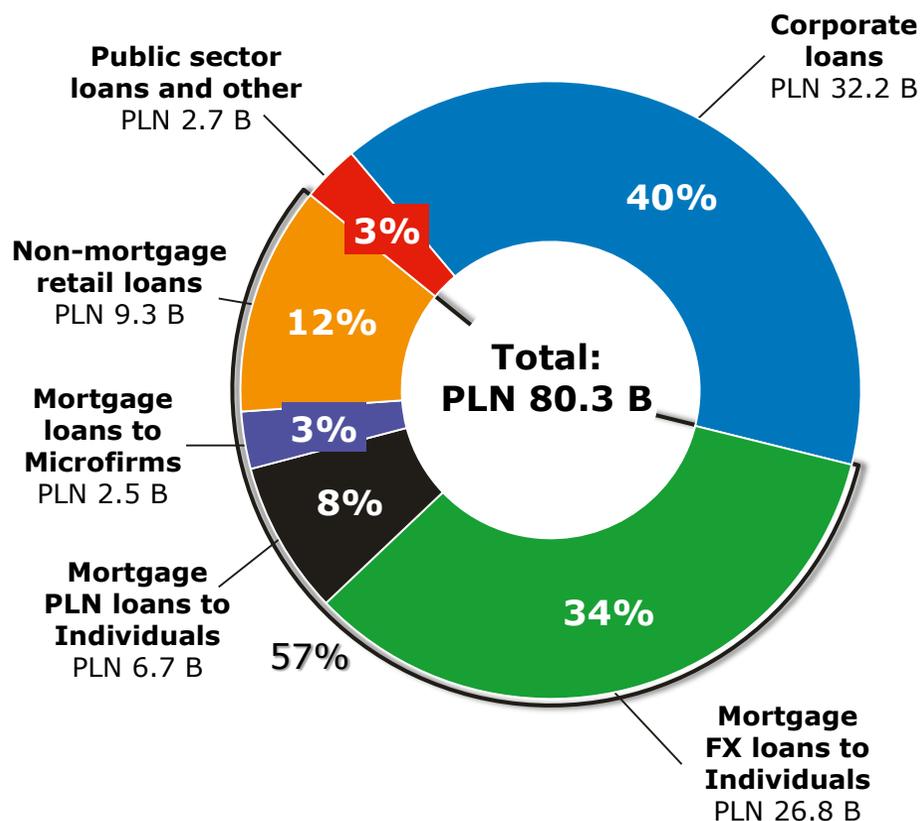
# Appendix



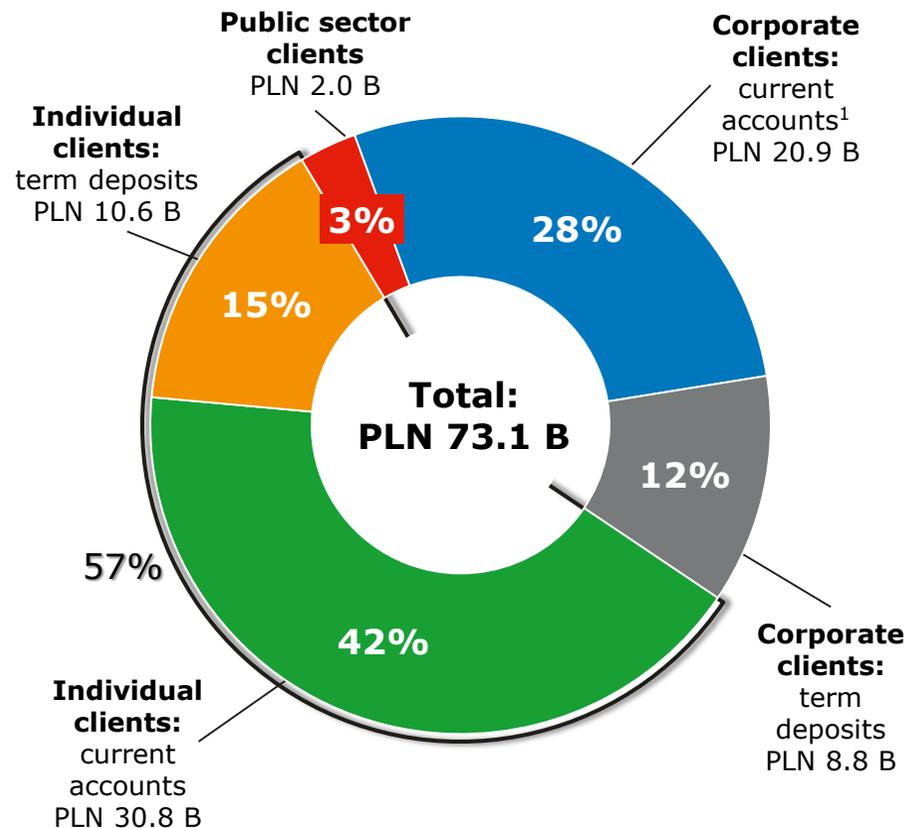
Summary
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## Additional Information: Selected Financial Data Balance Sheet Analysis: Structure of Loans and Deposits

Structure of mBank Group's Gross Loans as of 30.06.2015



Structure of mBank Group's Deposits as of 30.06.2015



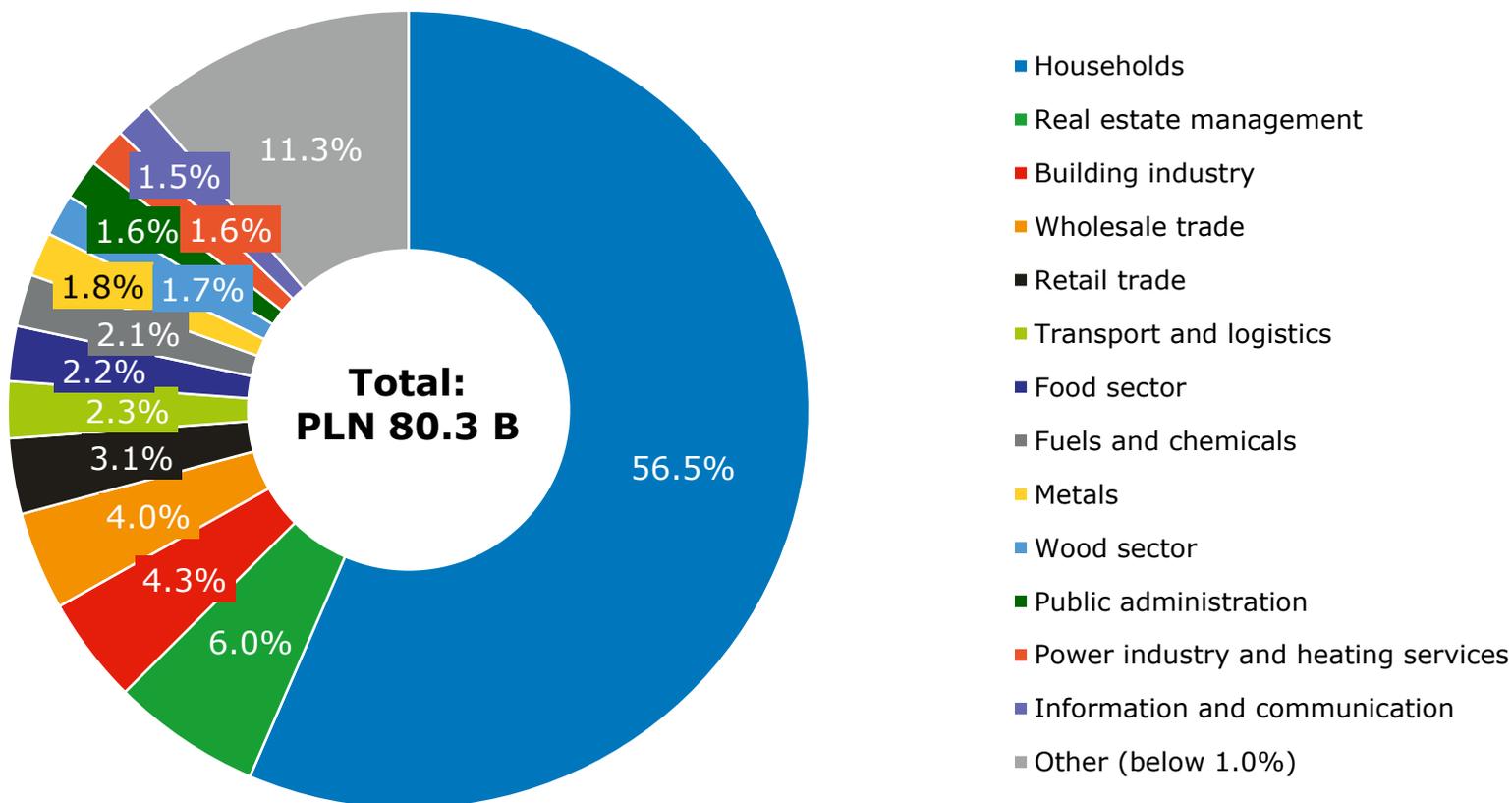
<sup>1</sup> incl. repo transactions, loans and advances received, other liabilities

# Appendix

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

Summary
Historical view
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<b>Balance Sheet</b>
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mBank Group's Sector Exposure by Industry  
as of 30.06.2015



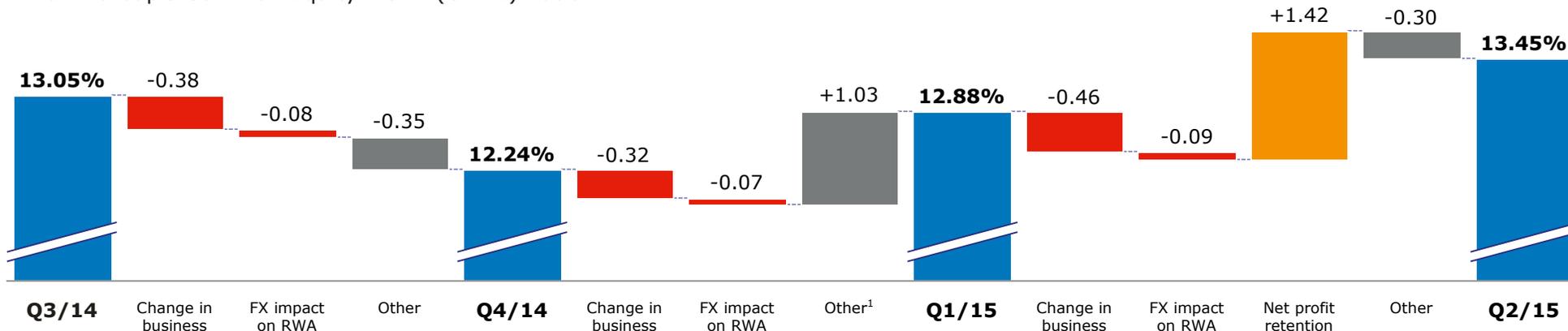
**A well diversified loan portfolio with granular structure**

# Appendix

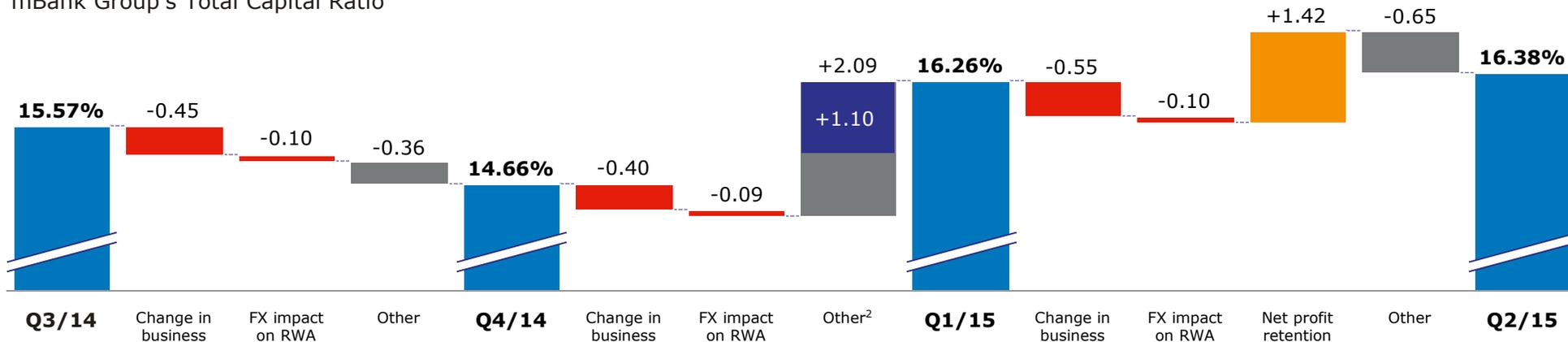
## Additional Information: Selected Financial Data Balance Sheet Analysis: Detailed Development of Capital Ratios

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



mBank Group's Total Capital Ratio

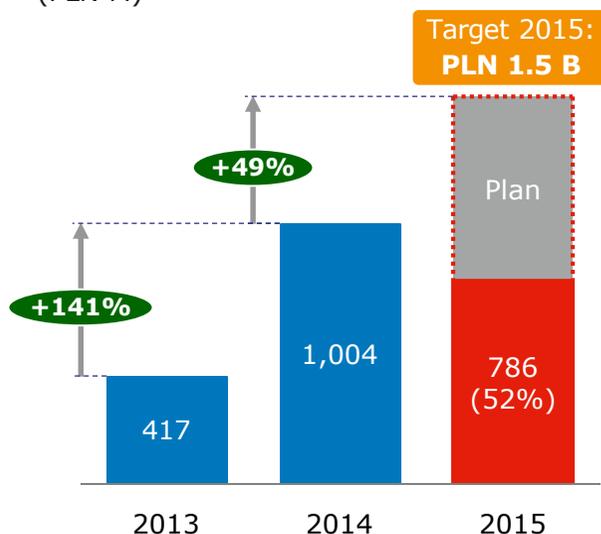


<sup>1</sup> Inclusion in the Common Equity Tier 1 capital: (i) 40% of unrealized gains according to the Polish FSA recommendation and (ii) the capital of Aspiro after the sale of insurance subsidiary

<sup>2</sup> Inclusion of Tier 2 subordinated debt of PLN 750 M issued in December 2014 after obtaining the consent from the Polish FSA

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

Covered Bonds Issuance  
(PLN M)



- mBank Hipoteczny issued planned PLN 1 billion of covered bonds in 2014 and its target for 2015 amounts to PLN 1.5 billion
- 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

Summary of Mortgage Covered Bonds issued in 2014 and 2015

Amount	Currency	Issue date	Maturity date	Tenor (years)	Coupon
7.5 M	EUR	17-02-2014	15-02-2018	4.0	EURIBOR 6M + 80bps
8.0 M	EUR	28-02-2014	28-02-2029	15.0	Fixed (3.50%)
15.0 M	EUR	17-03-2014	15-03-2029	15.0	Fixed (3.50%)
20.0 M	EUR	30-05-2014	30-05-2029	15.0	Fixed (3.20%)
300.0 M	PLN	28-07-2014	28-07-2022	8.0	WIBOR 6M + 93bps
200.0 M	PLN	04-08-2014	20-02-2023	8.5	WIBOR 6M + 93bps
20.0 M	EUR	22-10-2014	22-10-2018	4.0	Fixed (1.115%)
50.0 M	EUR	28-11-2014	15-10-2019	4.9	EURIBOR 3M + 87bps
200.0 M	PLN	20-02-2015	28-04-2022	7.2	WIBOR 6M + 78bps
20.0 M	EUR	25-02-2015	25-02-2022	7.0	Fixed (1.135%)
250.0 M	PLN	15-04-2015	16-10-2023	8.5	WIBOR 6M + 87bps
11.0 M	EUR	24-04-2015	24-04-2025	10.0	Fixed (1.285%)
50.0 M	EUR	24-06-2015	24-06-2020	5.0	EURIBOR 3M + 69bps

## Detailed Results of the Business Lines in Q2/15

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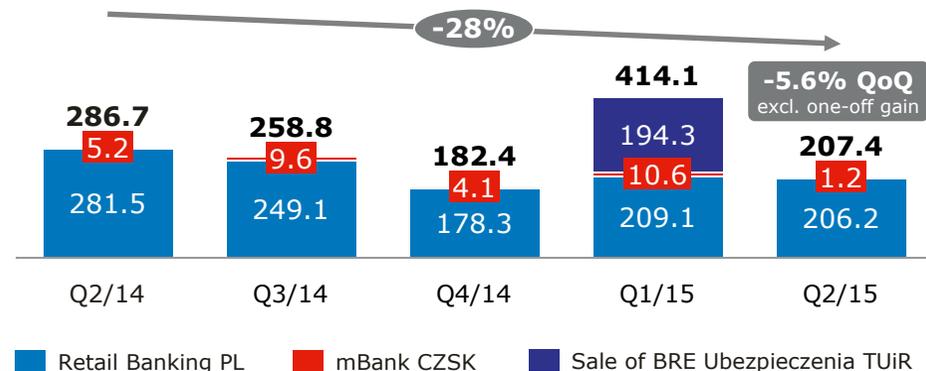
# Retail Banking

# Appendix

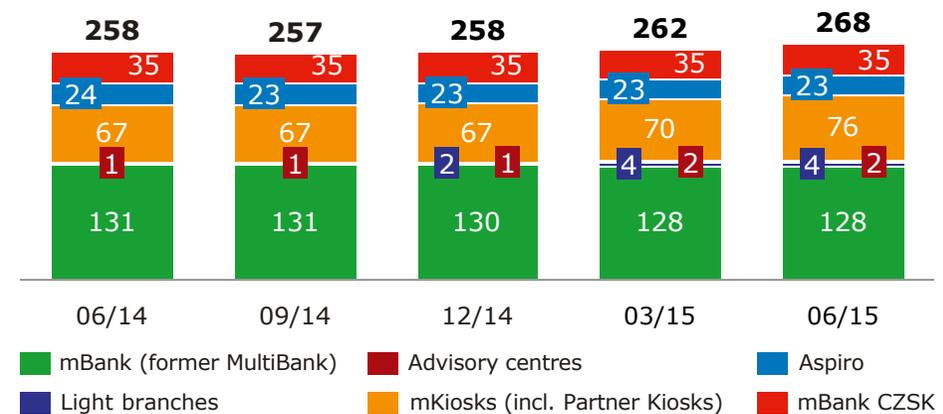
## Retail Banking Summary of Q2/15: Financial Results

Summary
Historical view
Profit & Loss
Balance Sheet
<b>Business Lines</b>
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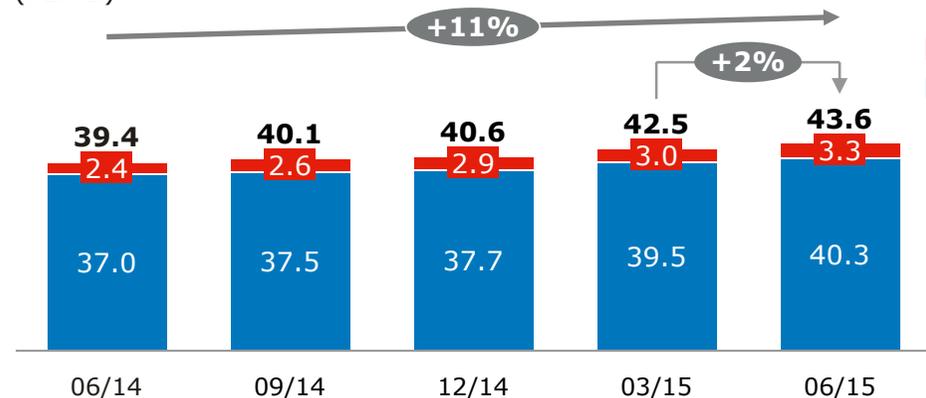
Profit before Tax of the Segment  
(PLN M, by quarter)



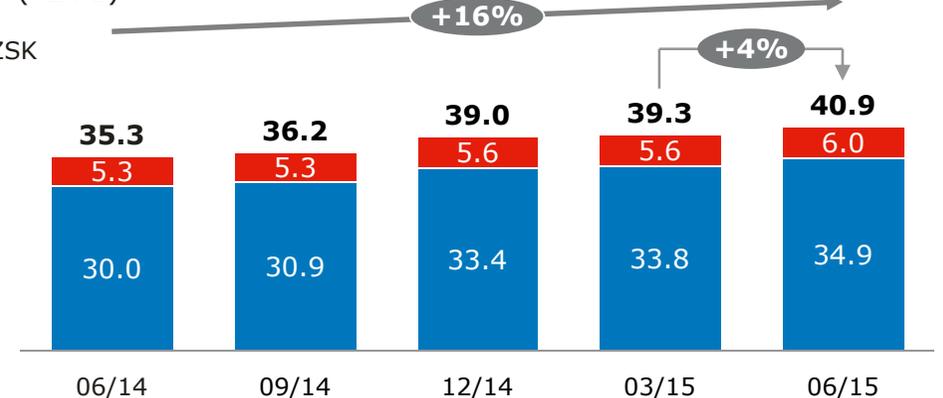
Number of Retail Service Locations



Total Retail Gross Loans<sup>1</sup>  
(PLN B)



Total Retail Deposits<sup>1</sup>  
(PLN B)



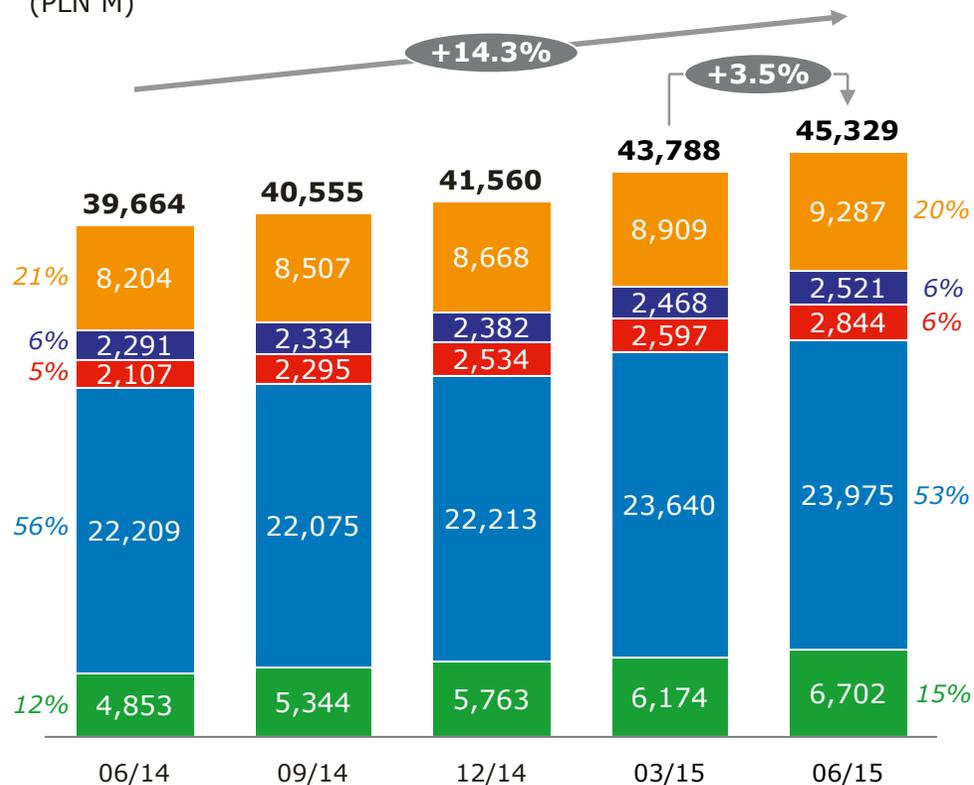
<sup>1</sup> Based on management information

# Appendix

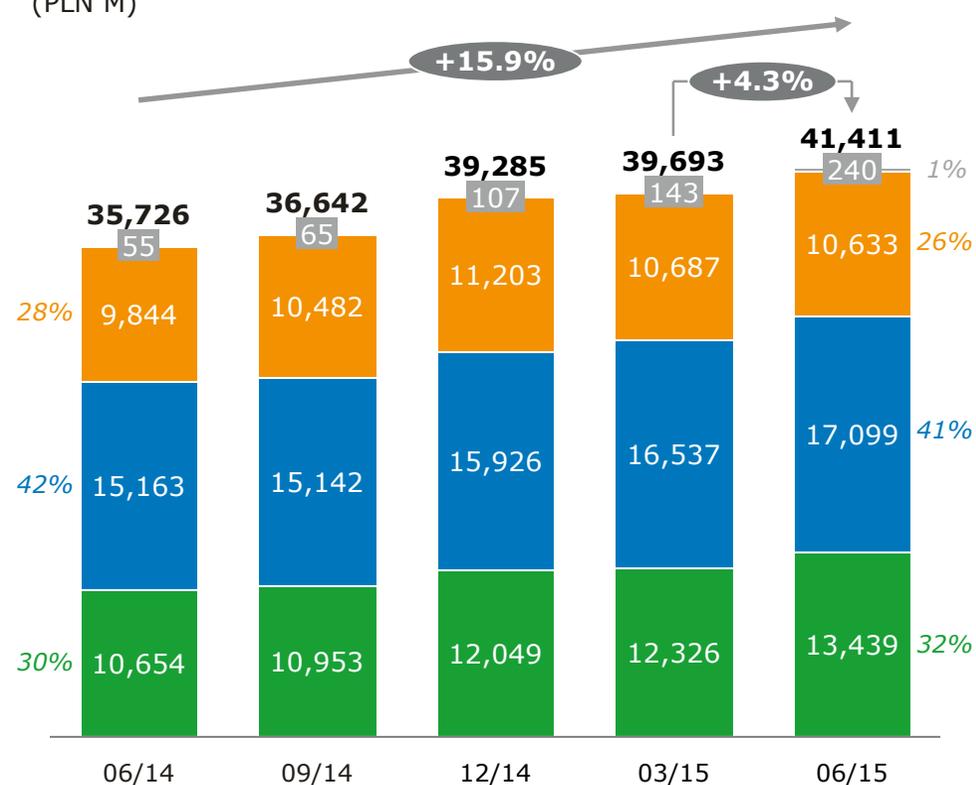
## Retail Banking Summary of Q2/15: Loans and Deposits

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Gross Loans to Retail Banking Clients<sup>1</sup>  
(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

<sup>1</sup> Currency and geographical breakdown based on management information

# Appendix

## Retail Banking

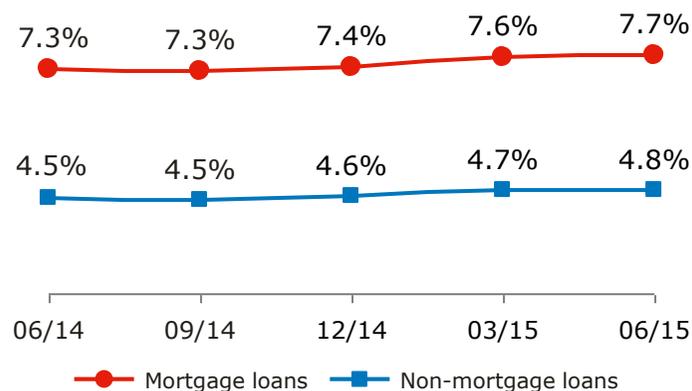
### Mortgage and Non-mortgage Loans: Portfolio Structure and Key Parameters

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

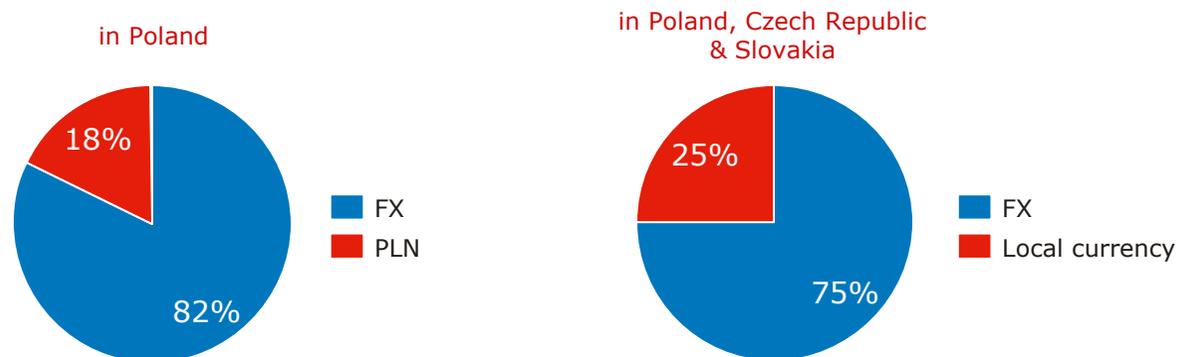
Balance-sheet value (PLN B)	30.3
Average contractual maturity (years)	20.1
Average value per loan (PLN thou.)	294.7
Average LTV (%)	85.0
NPL (%)	4.3

As of 30.06.2015

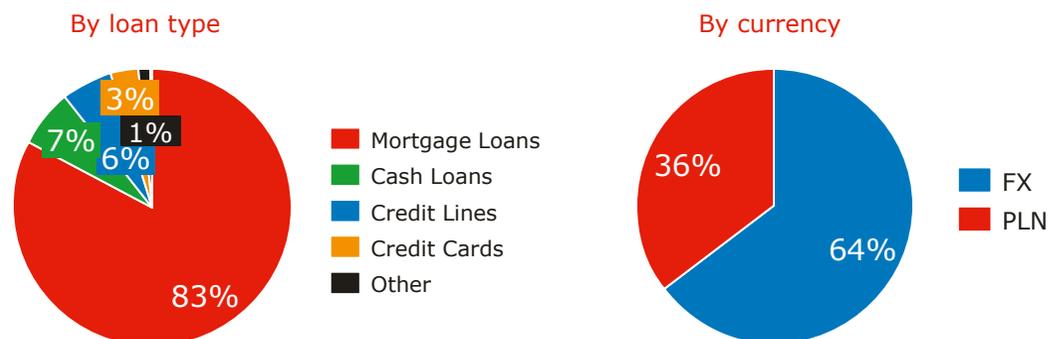
Market shares



Currency Structure of Retail Banking Mortgage Loan Portfolio  
(Household Loans, mBank only) at 30.06.2015



Structure of Retail Banking Loan Portfolio  
(Household Loans, Retail Banking PL) at 30.06.2015

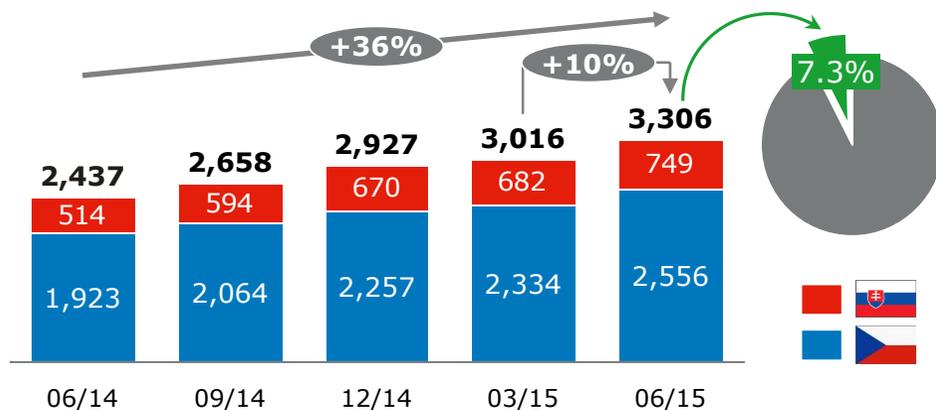


# Appendix

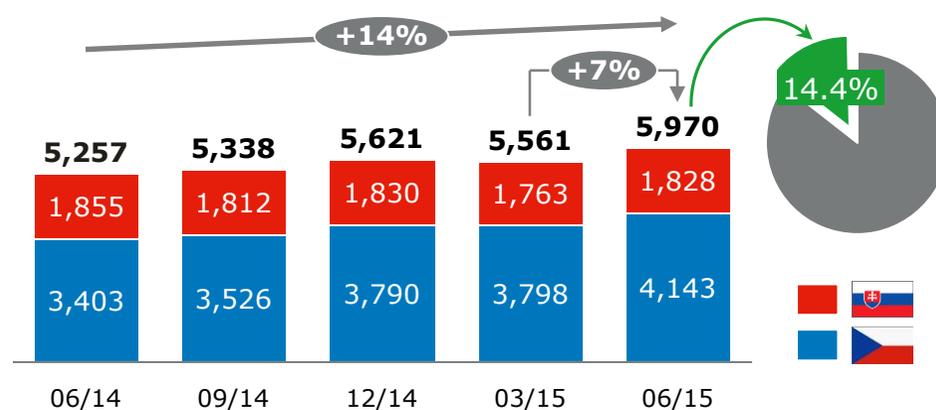
## Retail Banking mBank in the Czech Republic and Slovakia

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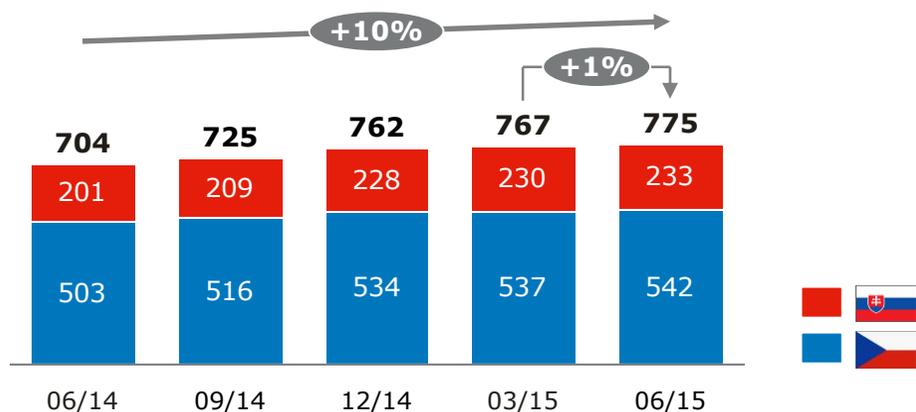
Gross Loans (PLN M) and Share in Total mBank's retail volume



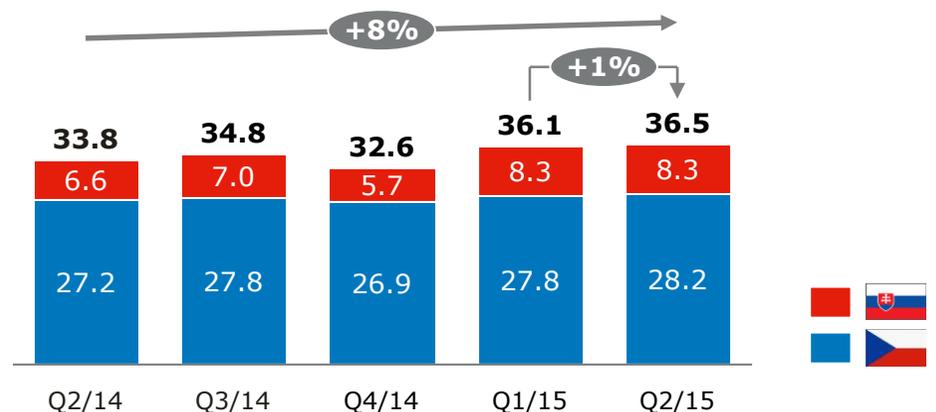
Deposits (PLN M) and Share in Total mBank's retail volume



Number of clients (thou.)



Total revenues (PLN M)



Note: Volumes based on management information.

# Appendix

## Retail Banking mBank in the Czech Republic and Slovakia

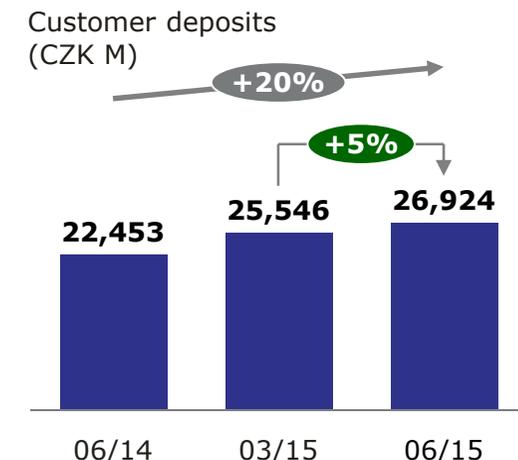
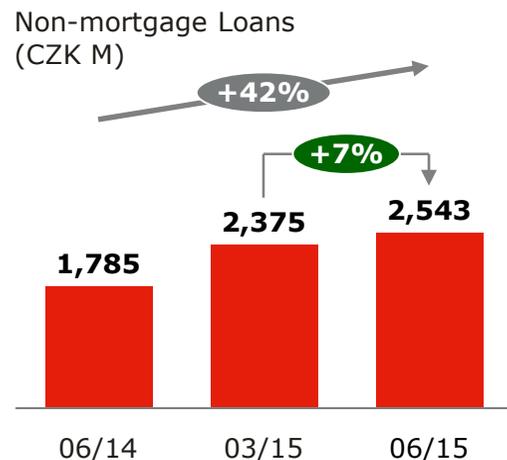
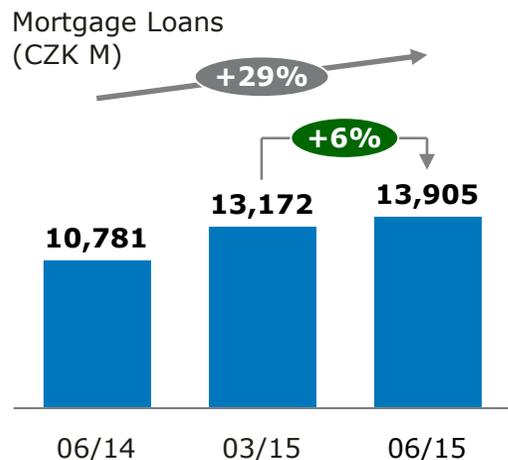
Summary
Historical view
Profit & Loss
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### Czech Republic

Clients:  
**541.9 thou.**

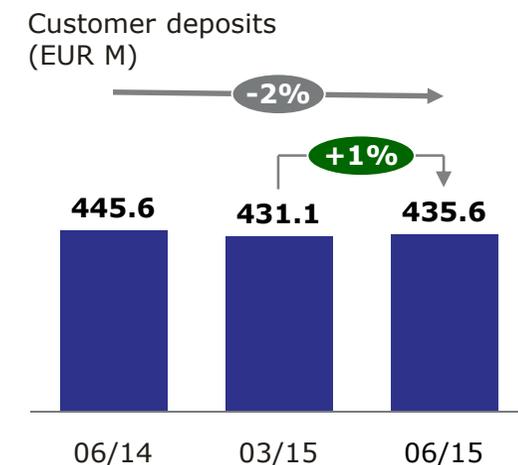
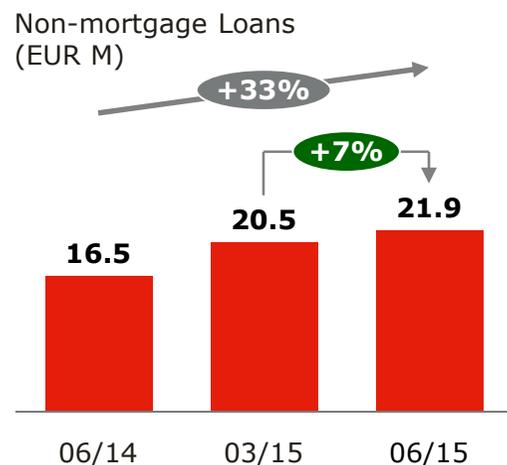
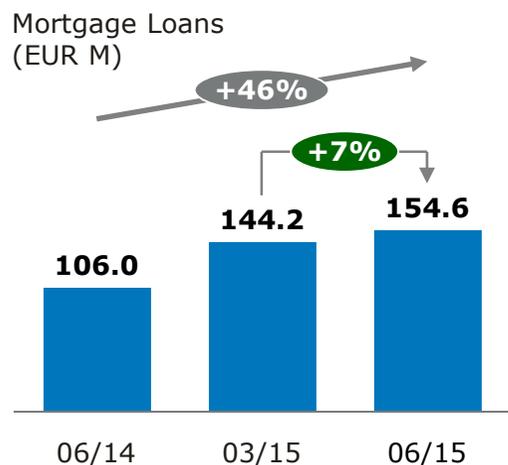
**9** financial centres &  
**17** mKiosks



### Slovakia

Clients:  
**232.9 thou.**

**4** financial centres &  
**5** mKiosks



Note: Volumes based on management information.

## Detailed Results of the Business Lines in Q2/15

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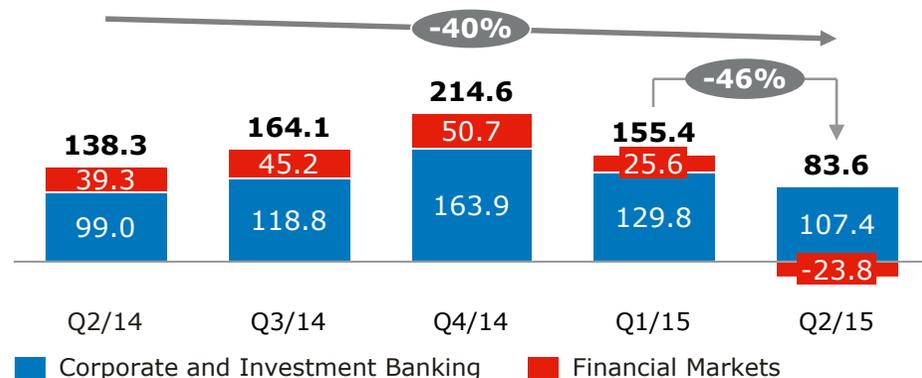
# Corporates & Financial Markets

# Appendix

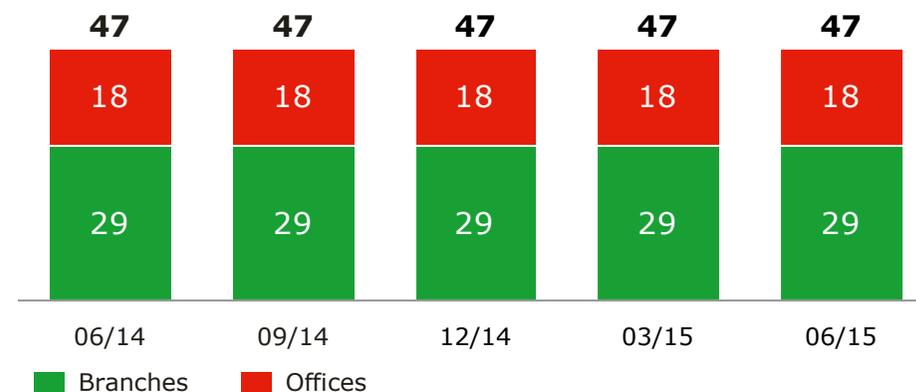
## Corporates and Financial Markets Summary of Q2/15: Financial Results

Summary
Historical view
Profit & Loss
Balance Sheet
<b>Business Lines</b>
Subsidiaries

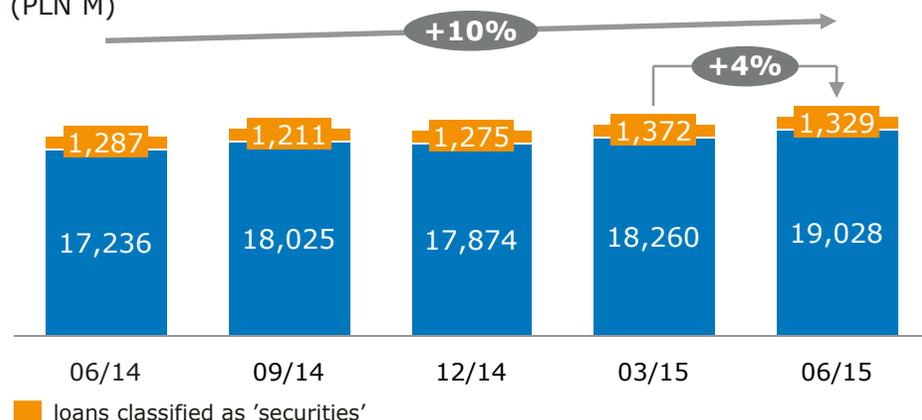
Profit before Tax of the Segment  
(PLN M, by quarter)



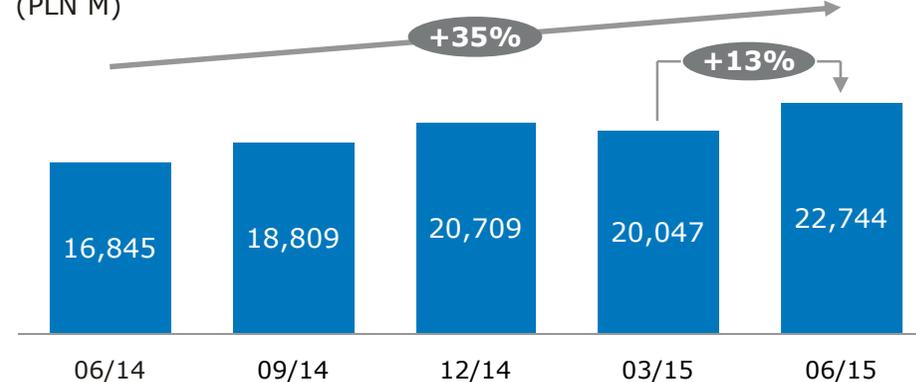
Corporate Branch Network



Loans to enterprises<sup>1</sup>  
(PLN M)



Deposits of enterprises<sup>1</sup>  
(PLN M)



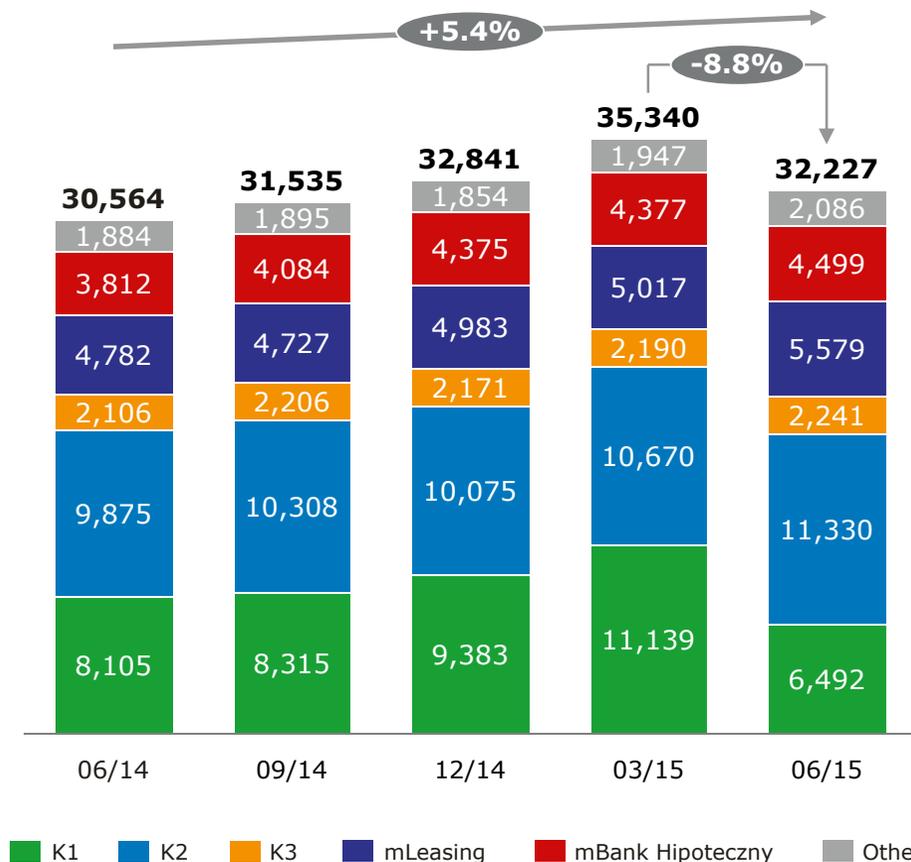
<sup>1</sup> Corporate loan and deposit volumes according to current NBP rules

# Appendix

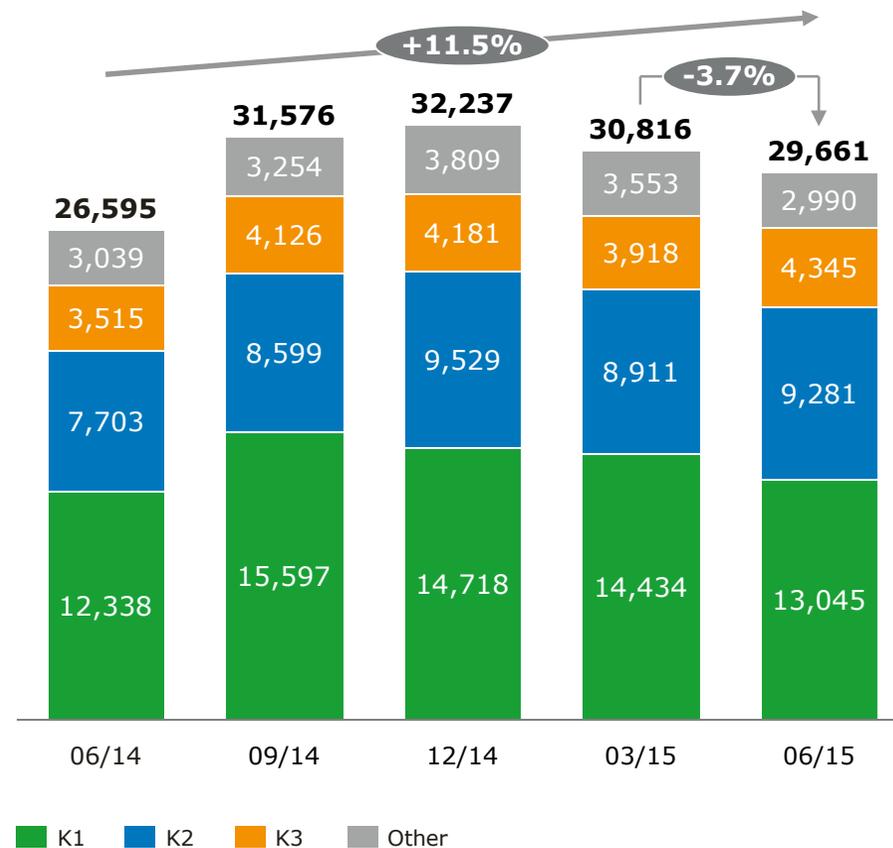
## Corporates and Financial Markets Summary of Q2/15: Loans and Deposits

Summary
Historical view
Profit & Loss
Balance Sheet
<b>Business Lines</b>
Subsidiaries

Gross Loans to Corporate Entities  
(PLN M)



Deposits from Corporate Customers  
(PLN M)



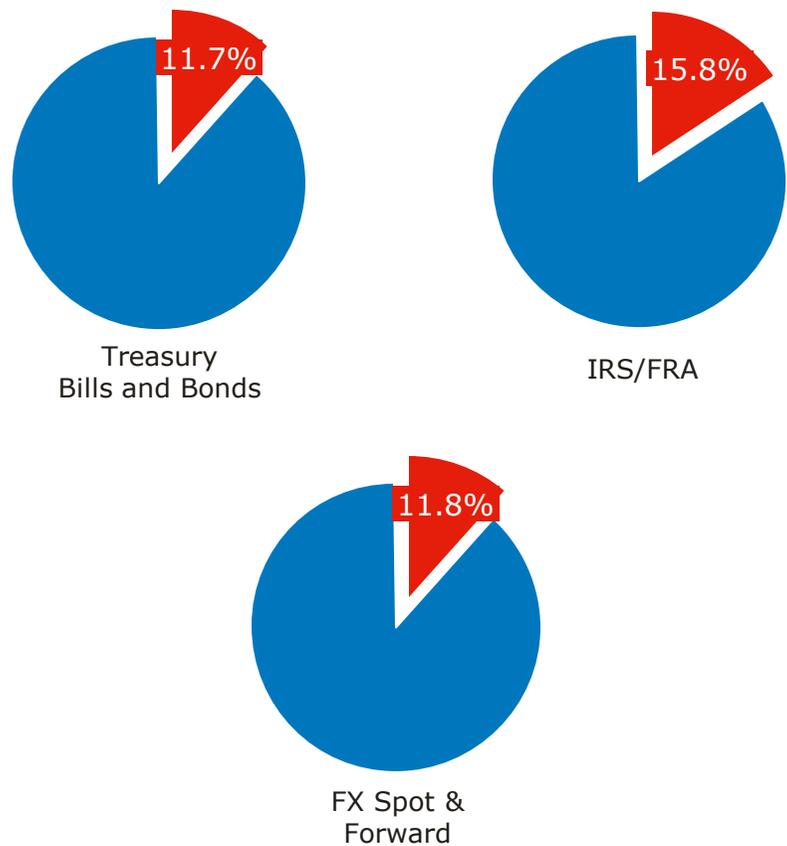
Note: Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3 – annual sales below 30 M.

# Appendix

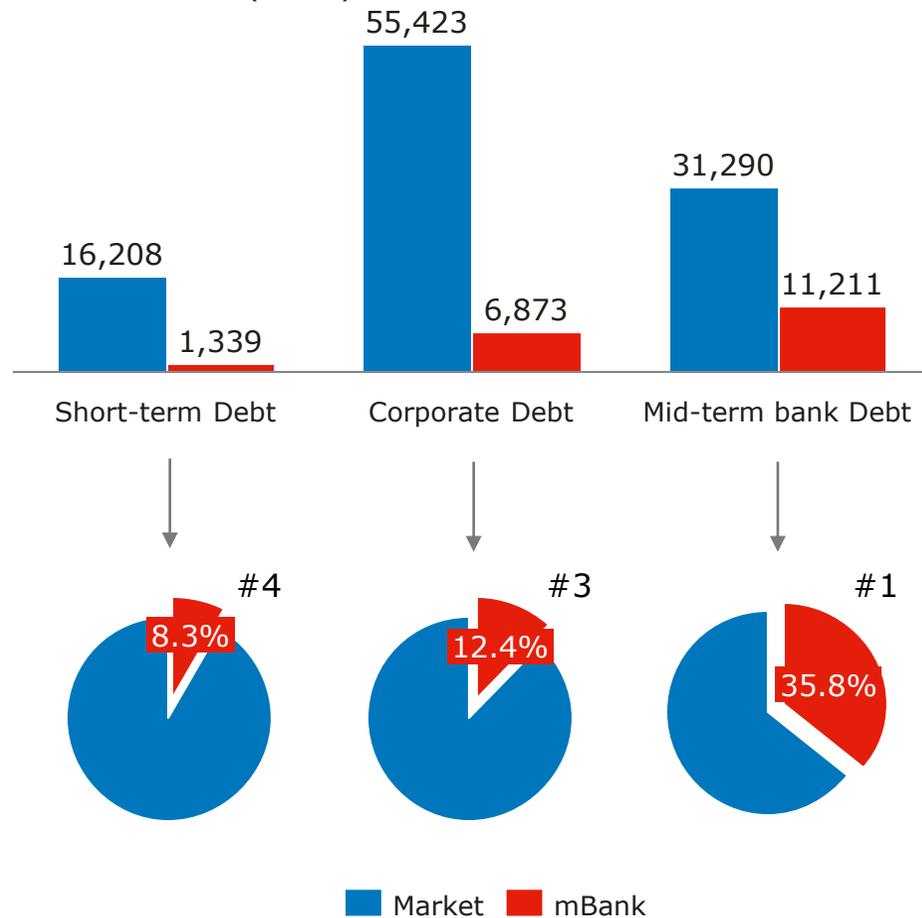
## Corporates and Financial Markets Market Shares

Summary
Historical view
Profit & Loss
Balance Sheet
<b>Business Lines</b>
Subsidiaries

mBank's Market Shares in Investment Banking Services<sup>1</sup>



mBank in the Market for Non-Treasury Debt<sup>2</sup>  
as of 30.06.2015 (PLN M)



<sup>1</sup> As of 31.05.2015; mBank calculations based on NBP data

<sup>2</sup> Based on Fitch Polska S.A., Rating & Rynek, 30.06.2015 (excluding BGK road bonds)

## Detailed Results of the mBank Group's companies in Q2/15

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## Subsidiaries

# Appendix

## mBank Group's Subsidiaries

### Development of Profit before Tax of Consolidated Companies

PLN thou.	Q2/14	Q2/15	Change YoY	H1/14	H1/15	Change YoY
mBank Hipoteczny	6,173	-8,395	+/-	18,589	8,305	-55.3%
mLeasing	9,957	12,130	+21.8%	22,966	27,756	+20.9%
mFactoring	3,987	-2,079	+/-	8,746	2,804	-67.9%
Dom Maklerski mBanku	3,268	13,550	+314.6%	9,506	15,974	+68.0%
mWealth Management	5,051	8,218	+62.7%	9,052	13,165	+45.4%
Aspiro <sup>1</sup>	2,211	36,957	+1571%	3,521	37,526	+965.8%
mLocum	9,121	2,397	-73.7%	15,177	11,107	-26.8%
BRE Ubezpieczenia <sup>2</sup>	19,268	-	-100.0%	30,860	7,069	-77.1%
Other <sup>3</sup>	-715	-629	-12.0%	-1,017	-1,510	+48.5%
<b>Total</b>	<b>58,321</b>	<b>62,148</b>	<b>+6.6%</b>	<b>117,400</b>	<b>122,195</b>	<b>+4.1%</b>

<sup>1</sup> Excluding intragroup dividend in Q2/14 and one-off gain on the sale of shares of BRE Ubezpieczenia TUIR in Q1/15

<sup>2</sup> The company was sold to AXA Group at the end of Q1/15

<sup>3</sup> Other subsidiaries include mFinance France, MLV-45, mCentrum Operacji, BDH Development, Garbary and Transfinance in 2014

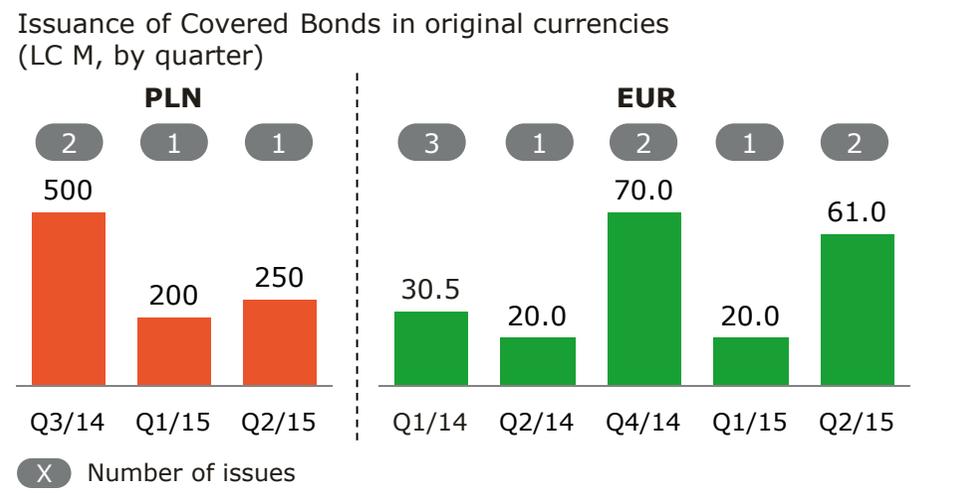
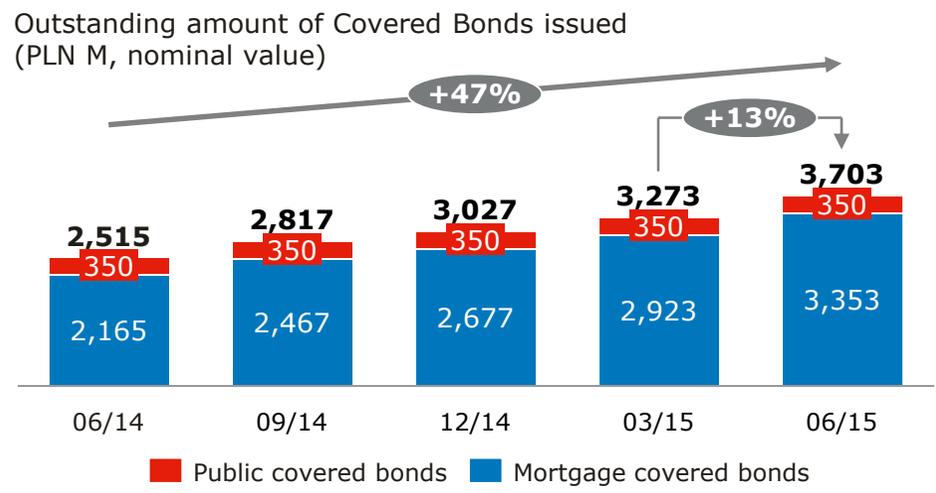
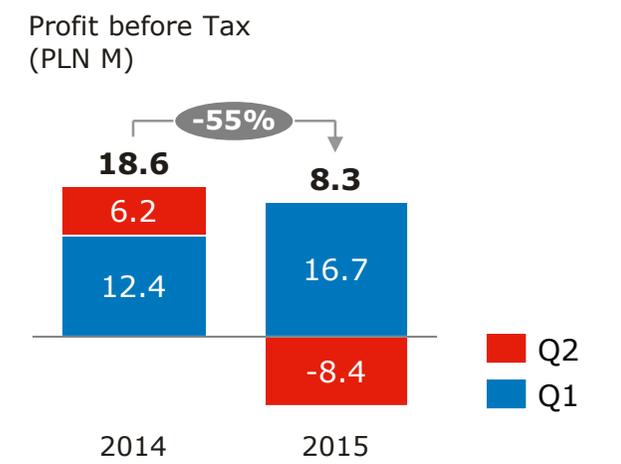
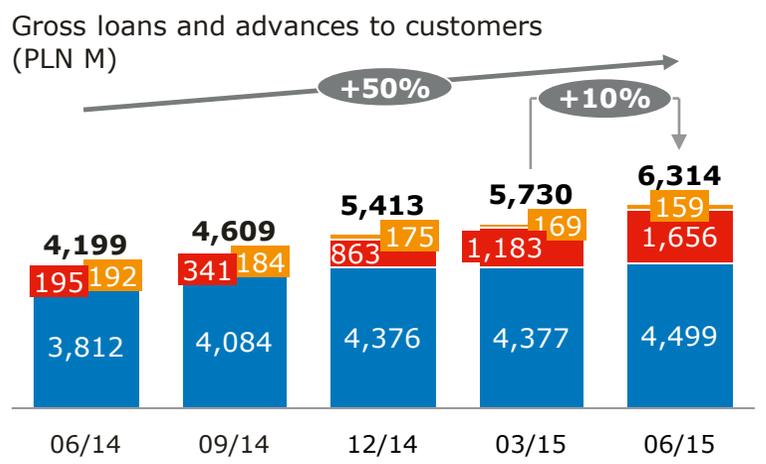
# Appendix

## mBank Group's Subsidiaries mBank Hipoteczny (mBH)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
<b>Subsidiaries</b>

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

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



# Appendix

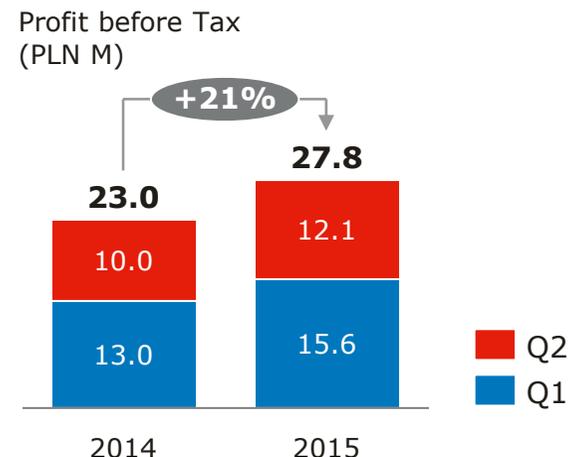
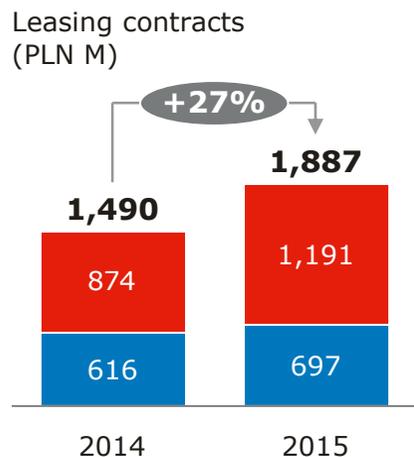
## mBank Group's Subsidiaries Leasing and Factoring (Poland)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
<b>Subsidiaries</b>

**m Leasing**

established in 1991

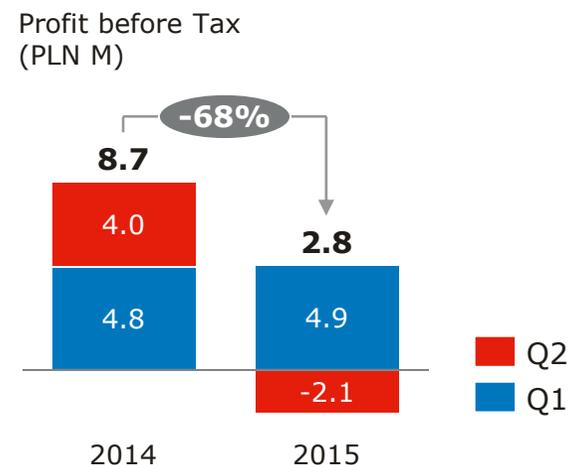
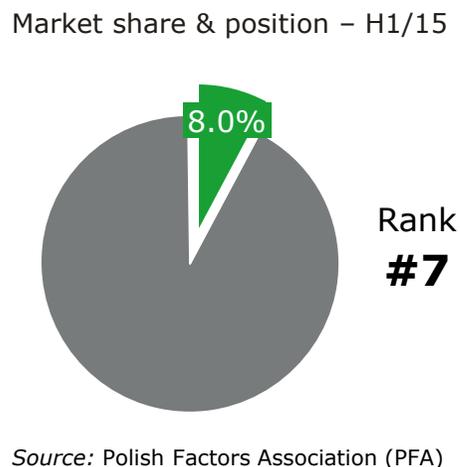
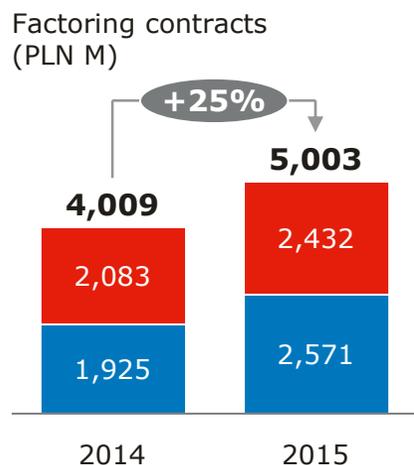
provides financial and operating leasing of cars, trucks, machinery and real estate



**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)



established in 1991

providing a full range of services and products to institutional and retail investors as well as issuers

Number of Accounts in Q2/15 (thou.)

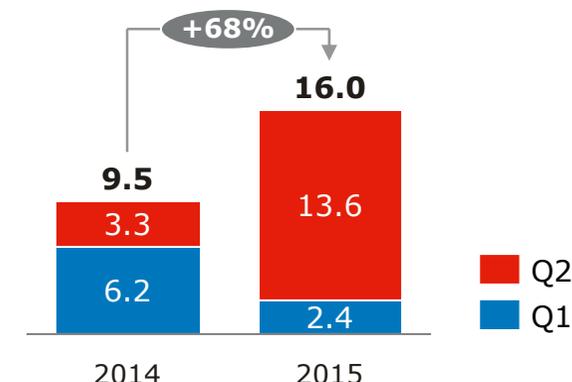
mDM accounts	48.6
Brokerage Service in mBank	246.2
<b>TOTAL</b>	<b>294.8</b>

Market Shares in Q2/15, by volume

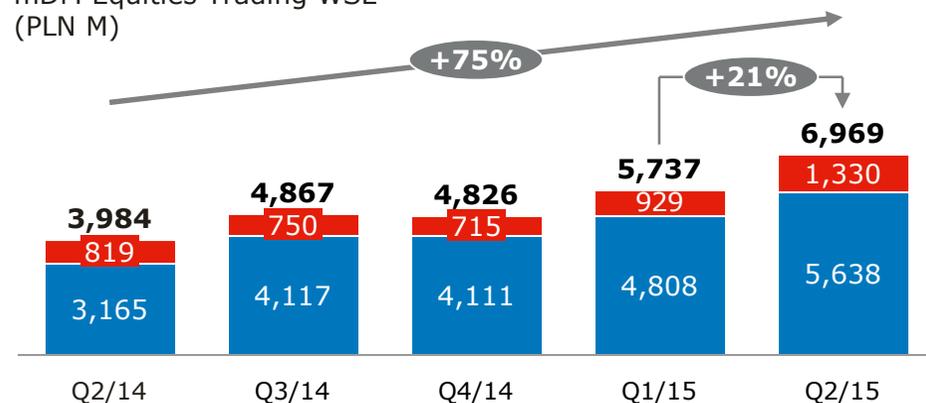
	incl. block transactions		Session transactions	
Equities	5.98%	#7	6.16%	#7
Bonds	4.83%	#5	5.00%	#5
Futures	16.87%	#2	16.86%	#2
Options	14.71%	#3	15.15%	#3

Source: mBank calculations based on WSE data

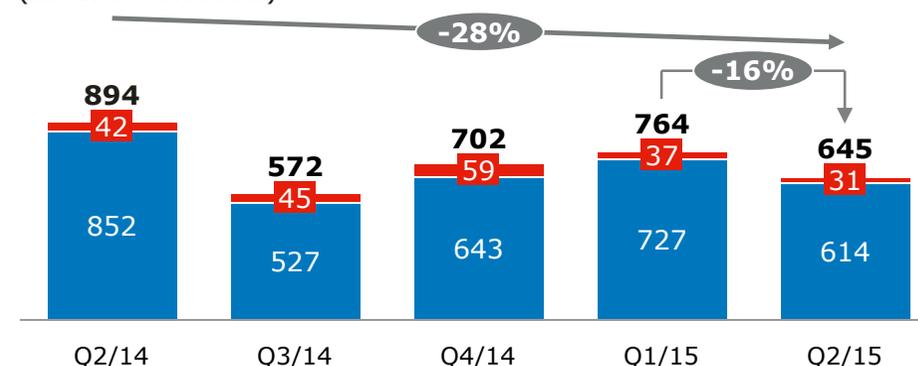
Profit before Tax (PLN M)



mDM Equities Trading WSE (PLN M)



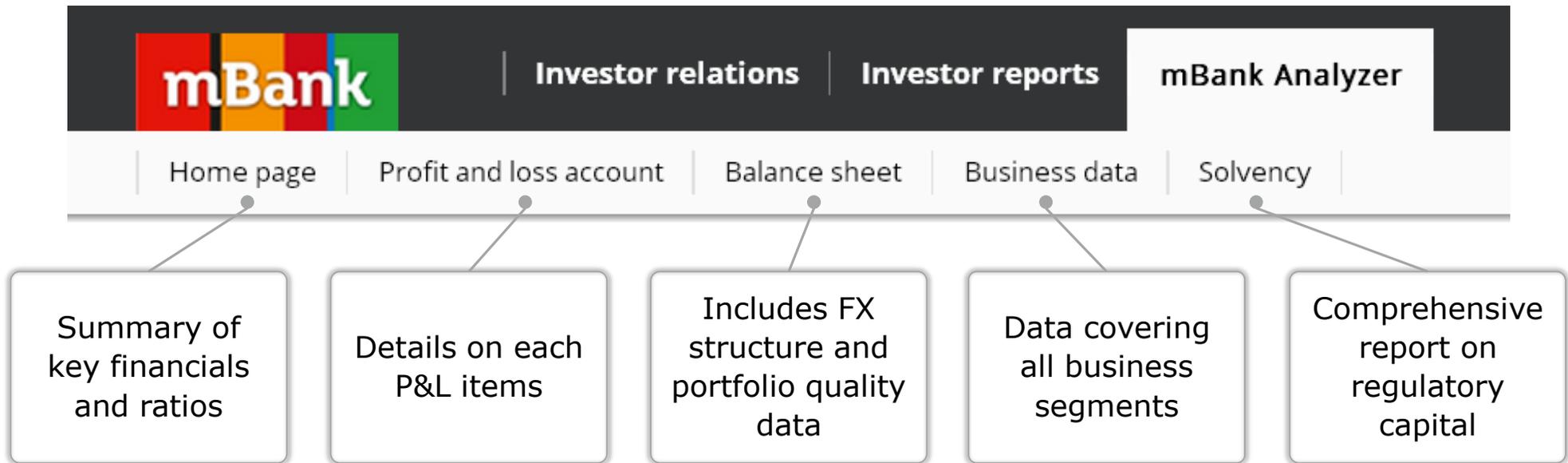
mDM Futures Trading WSE (thou. of contracts)



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

## 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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