

Results of mBank Group Q1-Q4 2015

A turbulent year but profit targets achieved again

Management Board of mBank S.A.

Investor Presentation

February 4, 2016



Key highlights of 2015

Core revenues of PLN 3,409 M at historical high

- NII at PLN 2,511 M (+0.8% YoY), as margin rebound commences
- NFC at PLN 897 M (-0.5% YoY), driven by business growth

Solid efficiency maintained

- Cost/Income ratio at 50.2%

Profit & Loss

Excess deposit funding

- Loan-to-Deposit ratio at 96.7%

Capital ratios well above regulatory requirements

- CET 1 Ratio at 14.3%/16.7%²
- Total Capital Ratio at 17.3%/20.2%²

Issues of covered bonds add to long-term financing sources

Capital & Liquidity

Total revenues increased to PLN 4,093 M

Volumes

Sound volume development

- Gross loans at PLN 81.4 B (+0.7% QoQ, +9.3% YoY)¹
- Customer deposits at PLN 81.1 B (+6.1% QoQ, +16.5% YoY)¹

Retail lending expansion

- Mortgage loan sales at PLN 4.5 B in 2015 (+42% YoY); non-mortgage loan sales at PLN 4.9 B (+9% YoY)

Business development

Strengthening the position as mobile and transactional bank

- Migration of MultiBank clients onto New mBank platform completed
- Cooperation with strategic partners

Accelerating client acquisition

- 4,947 thou. retail clients (+396 thou. YoY) and 19,562 corporate clients (+1,775 YoY)

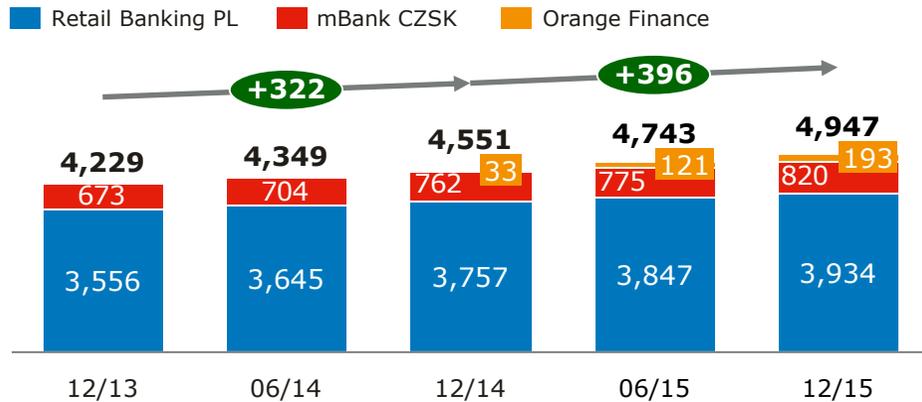
**Net Profit of PLN 1,301 M,
+1.1% compared to 2014**

¹ Volume dynamics presented excl. reverse repo / buy-sell-back transactions and repo transactions, respectively; ² Stand-alone capital ratios

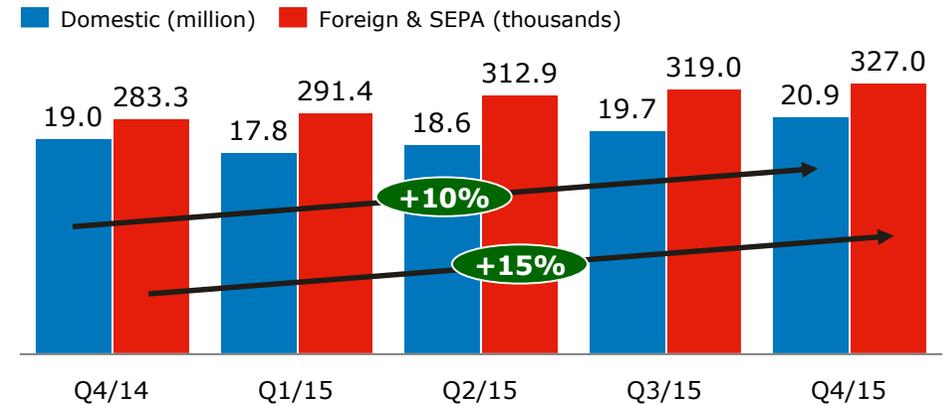
mBank's business position has never been stronger

Expanding client base and rapid growth of transactionality

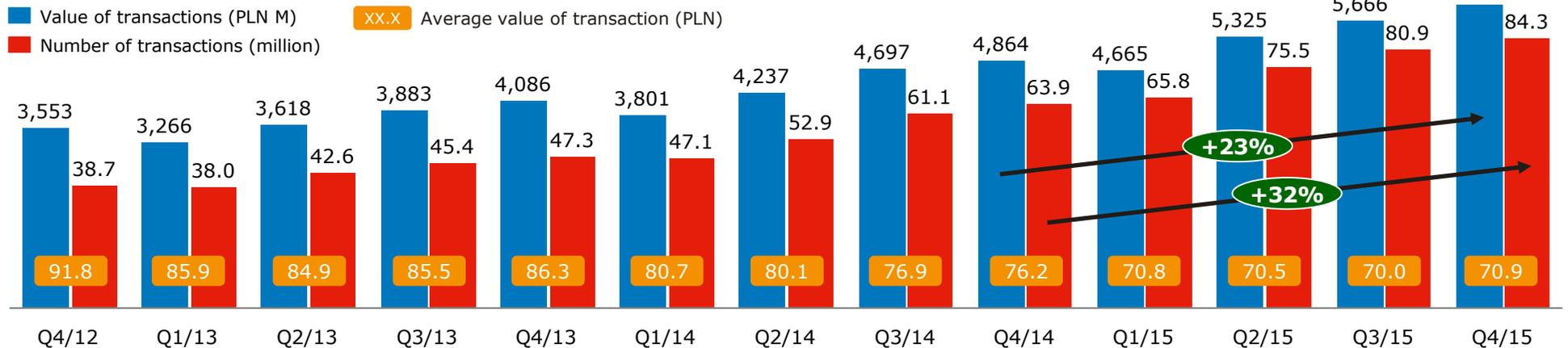
Number of mBank's Retail Clients (thou.)



Cash management – number of transfers (Corporate Banking)



Development of Value and Number of Non-cash Transactions with mBank's payment cards

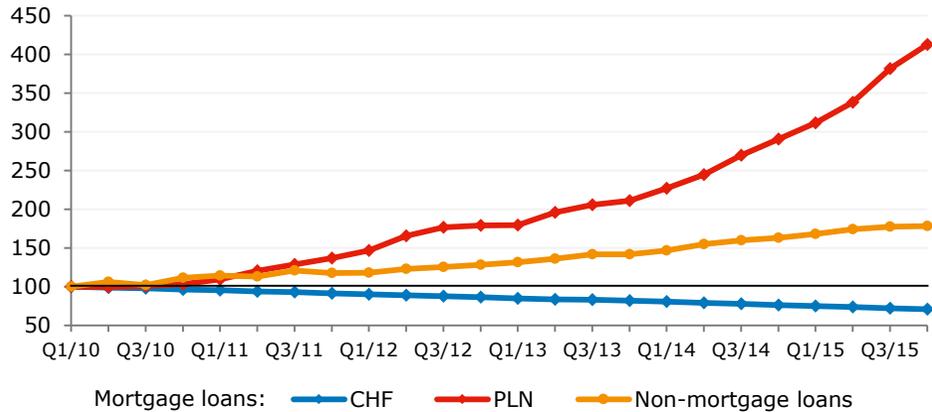


Note: Number of retail customers reduced to adjust for single client relationships maintained through multiple platforms i.e. mBank, former MultiBank and Orange Finance.

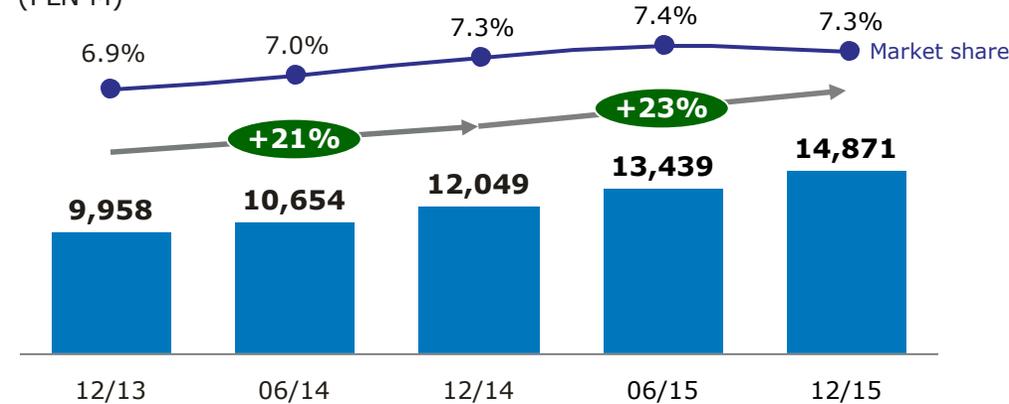
mBank's business position has never been stronger

Excess liquidity and margin resilience

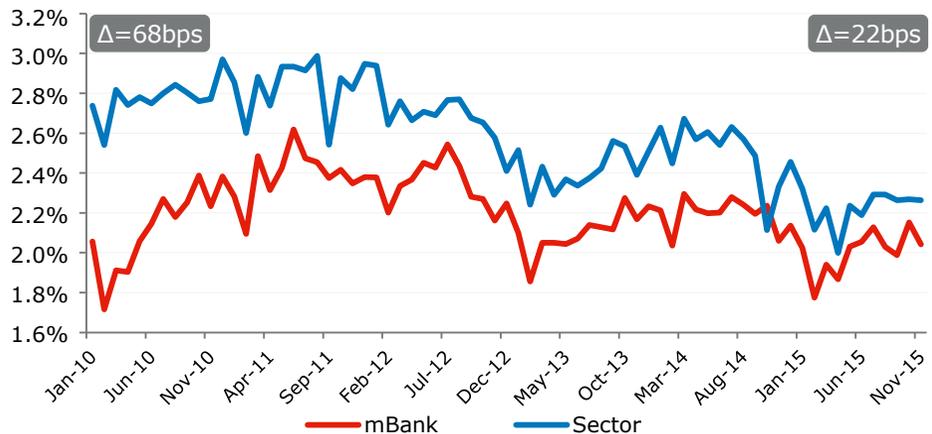
Development of Gross Loans by Type (31.03.2010=100)



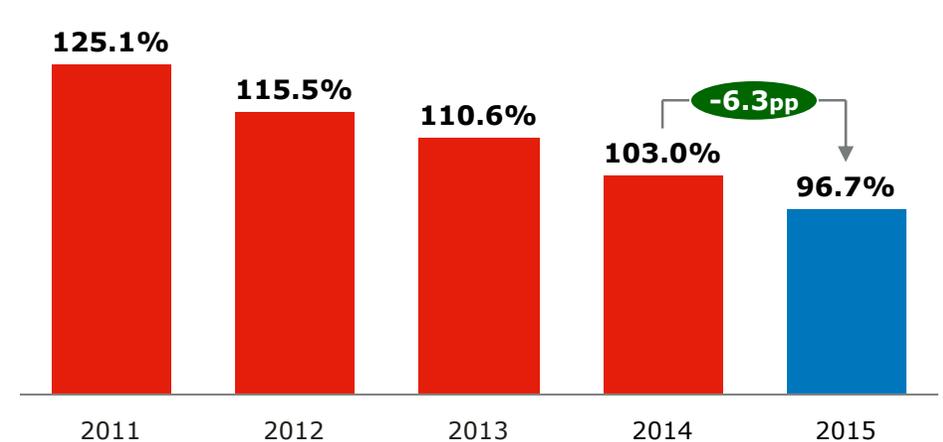
Development of Balances on Retail Current Accounts (PLN M)



Development of Net Interest Margin (over Total Assets)



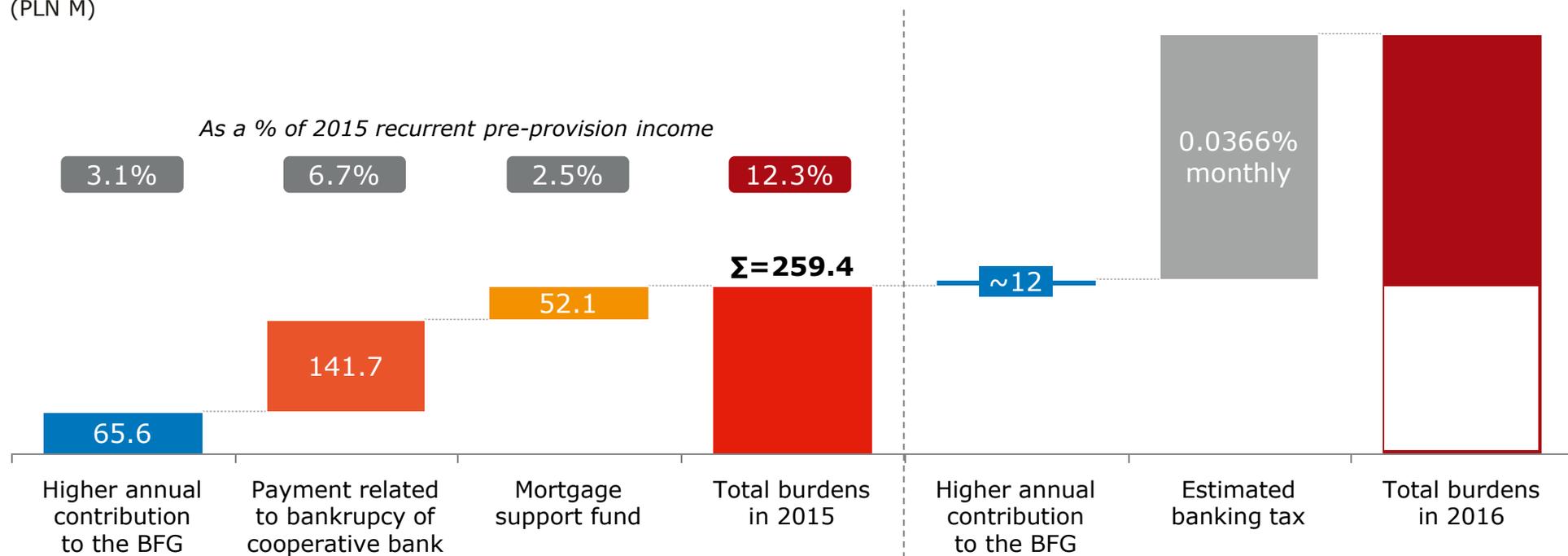
Development of Loan-to-Deposit Ratio



Source: mBank calculation based on Polish Financial Supervision Authority (KNF) data.

2015 and 2016 bring unprecedented challenges for the sector and mBank

Summary of additional regulatory burdens for mBank Group
(PLN M)



Additional pressure points

- Interest rate policy direction with the arrival of newly elected MPC members in Q1/16
- Financial market volatility, including pressure on PLN and other EM currencies
- European and local regulations (including BRRD, MREL, recommendations of Polish FSA)
- Uncertainty about CHF mortgage legal framework resolution

Agenda



mBank Group in 2015

Summary of Q4/15 in mBank Group

- Key Financials

- Client acquisition and Market shares

- Development of retail and corporate business

Analysis of Q4/15 Results

- Development of Loans and Deposits

- Development of Income and Costs

- Loan Portfolio Quality

- Funding Structure Details

- Capital and Liquidity Ratios

Macroeconomic Update

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- Additional Information: Selected Financial Data

- Detailed Results of Business Lines

mBank Group in 2015

Summary of Key Financials: Profit and Loss Account

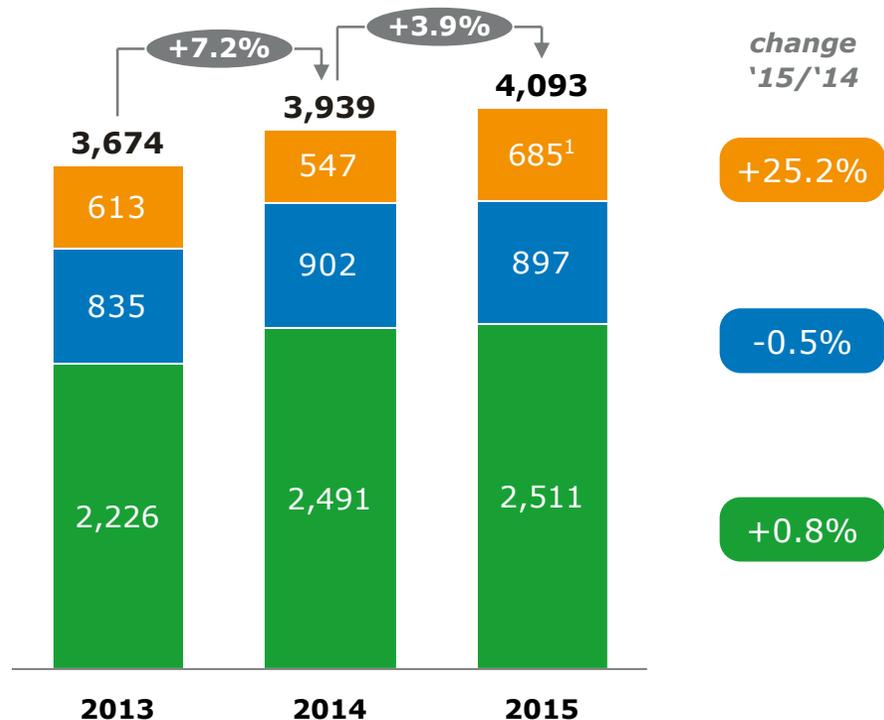
<i>in PLN million</i>	2013	2014	2015	Change '15/'14
Net interest income	2,226	2,491	2,511	 +0.8%
Net Fee & Commission income	835	902	897	 -0.5%
Total income	3,674	3,939	4,093	 +3.9%
Total costs	(1,678)	(1,771)	(1,860)	 +5.1%
One-off regulatory costs ¹	–	–	(194)	–
Loan Loss Provisions	(478)	(516)	(421)	 -18.4%
Profit before tax	1,518	1,653	1,618	 -2.1%
Net profit	1,206	1,287	1,301	 +1.1%
Net Interest Margin (NIM)	2.21%	2.30%	2.13%	 -0.17 p.p.
NIM excl. CHF portfolio	2.64%	2.70%	2.48%	 -0.22 p.p.
Cost/Income ratio	45.7%	44.9%	50.2%	 +5.3 p.p.
Cost of Risk	0.70%	0.72%	0.54%	 -0.18 p.p.
Return on Equity (ROE)	13.1%	13.1%	11.8%	 -1.3 p.p.
Return on Assets (ROA)	1.14%	1.13%	1.04%	 -0.09 p.p.

¹ Including contribution to the Bank Guarantee Fund of PLN 141.7 million to cover the cost of payments to deposit holders of bankrupt Cooperative Bank in Wołomin and contribution for the support fund for distressed mortgage borrowers of PLN 52.1 million

mBank Group in 2015

Development of Revenues and Costs

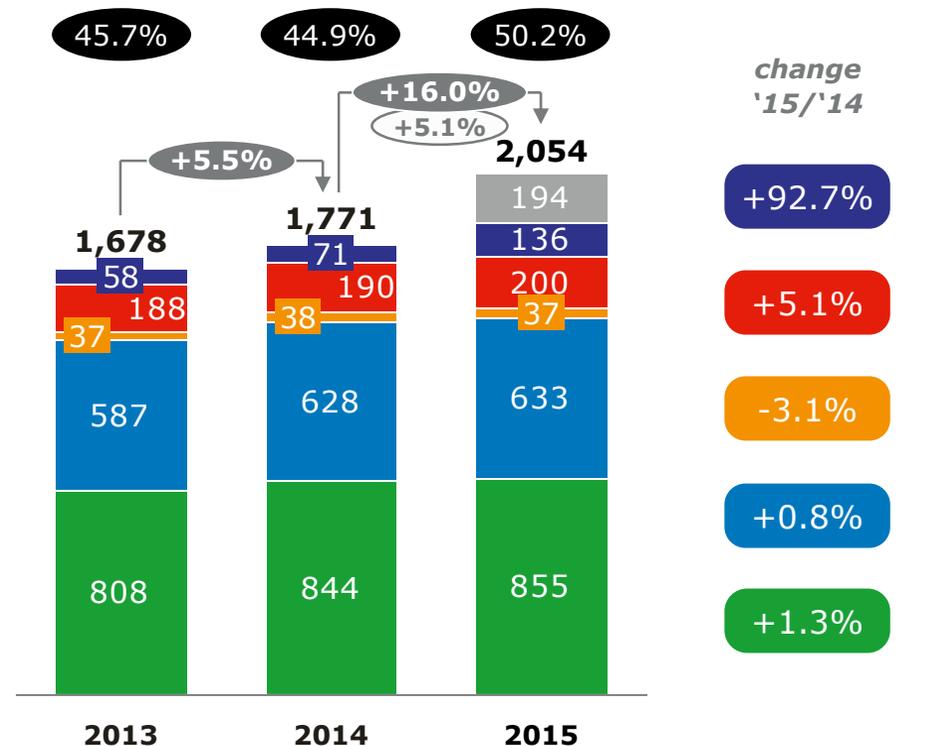
Development of Total Income
(PLN million)



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

¹ Including one-off gains on the sale of BRE Ubezpieczenia TUIR (PLN 194.3 million) in Q1/15 and on the sale of PZU shares (PLN 124.5 million) in Q4/15

Development of Total Costs
(PLN million)



- Personnel Costs
 - Material Costs
 - Other Costs
 - Amortization
 - Regular BFG contribution
 - Payment to the BFG related to the bankruptcy of Cooperative Bank in Wolomin and contribution to the support fund for mortgage borrowers
- XX.X% Cost/Income ratio

mBank Group in 2015

Summary of Key Financials: Balance Sheet

<i>in PLN million</i>	2013	2014	2015	Change '15/'14
Gross loans to customers	70,582	77,373	81,409	 +5.2%
Retail client loans	38,308	41,560	46,259	 +11.3%
Core corporate client loans ¹	26,188	29,002	32,416	 +11.8%
Amounts due to customers	61,674	72,422	81,141	 +12.0%
Retail client deposits	34,203	39,285	46,117	 +17.4%
Core corporate client deposits ¹	22,123	28,499	33,330	 +17.0%
Loan to Deposit ratio	110.6%	103.0%	96.7%	 -6.3 p.p.
NPL ratio	6.3%	6.4%	5.7%	 -0.7 p.p.
Coverage ratio	47.8%	51.9%	58.9%	 +7.0 p.p.
Core Tier 1 / CET 1 ²	14.2%	12.2%	14.3%	 +2.1 p.p.
CAR / Total Capital Ratio ²	19.4%	14.7%	17.3%	 +2.6 p.p.

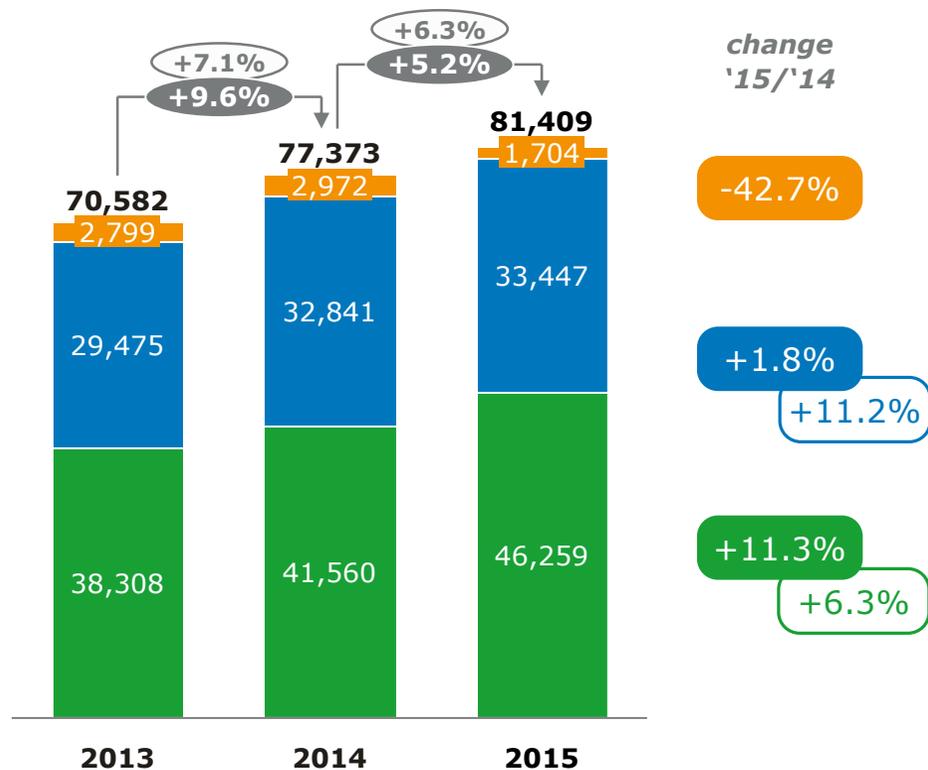
¹ Excl. reverse repo / buy-sell-back transactions for loans and repo transactions for deposits

² Since the end of March 2014 the capital ratios are calculated in accordance with Basel III rules

mBank Group in 2015

Development of Loans and Deposits

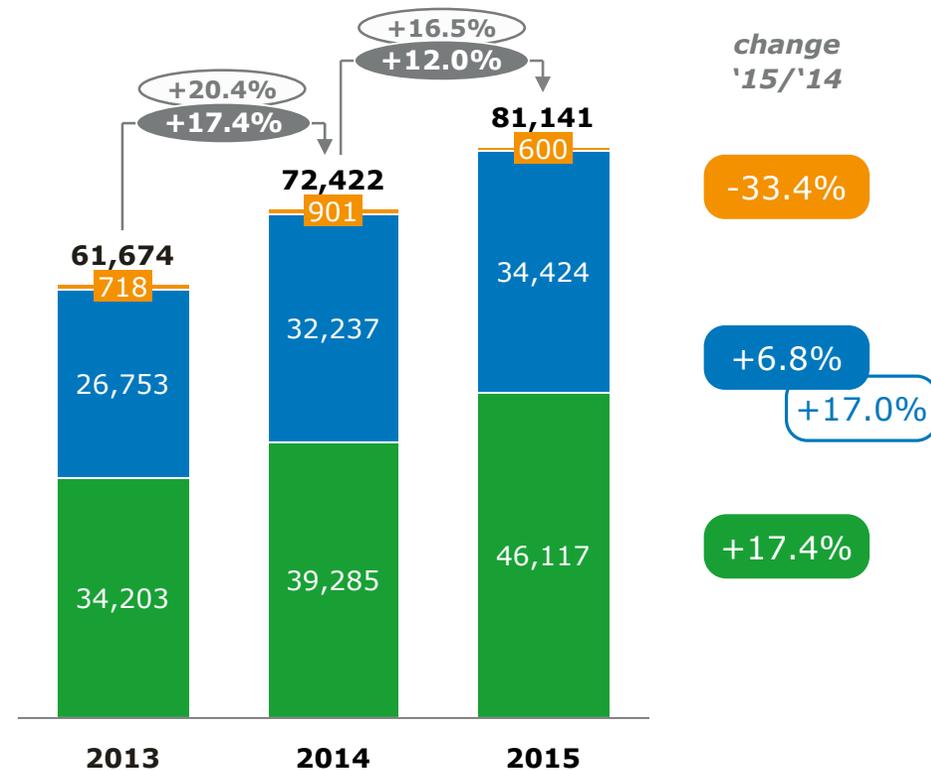
Development of Gross Loans
(PLN million)



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

+XX.X% Excluding FX effect and Reverse Repo transactions

Development of Deposits
(PLN million)



- Individual clients
- Corporate clients
- Public sector

+XX.X% Excluding Repo transactions

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mBank Group in 2015



Summary of Q4/15 in mBank Group

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Client acquisition and Market shares

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Summary of Q4/15 Results in mBank Group

Key Financials: Profit and Loss Account

<i>in PLN million</i>	Q4/15	Q4/14	<i>Change YoY</i>	Q3/15
Net interest income	676.6	632.5	+7.0%	641.8
Net Fee & Commission income	237.4	200.4	+18.5%	235.6
Total income	1,110.5	939.9	+18.1%	979.9
Total costs	(458.1)	(443.5)	+3.3%	(464.2)
One-off regulatory costs ¹	(193.8)	–	–	–
Loan Loss Provisions	(102.6)	(112.6)	-8.9%	(111.0)
Profit before tax	356.0	383.8	-7.3%	404.7
Net profit	309.5	308.6	+0.3%	319.5
Net Interest Margin (NIM)	2.22%	2.27%	-0.05 p.p.	2.12%
NIM excl. CHF portfolio	2.58%	2.66%	-0.08 p.p.	2.48%
Cost/Income ratio	58.7%	47.2%	+11.5 p.p.	47.4%
Cost of Risk	0.52%	0.61%	-0.09 p.p.	0.57%
Return on Equity (ROE)	11.2%	12.4%	-1.2 p.p.	11.6%
Return on Assets (ROA)	0.97%	1.04%	-0.07 p.p.	1.00%

¹ Including contribution to the Bank Guarantee Fund of PLN 141.7 million to cover the cost of payments to deposit holders of bankrupt Cooperative Bank in Wolomin and contribution for the support fund for distressed mortgage borrowers of PLN 52.1 million

Summary of Q4/15 Results in mBank Group

Key Financials: Balance Sheet

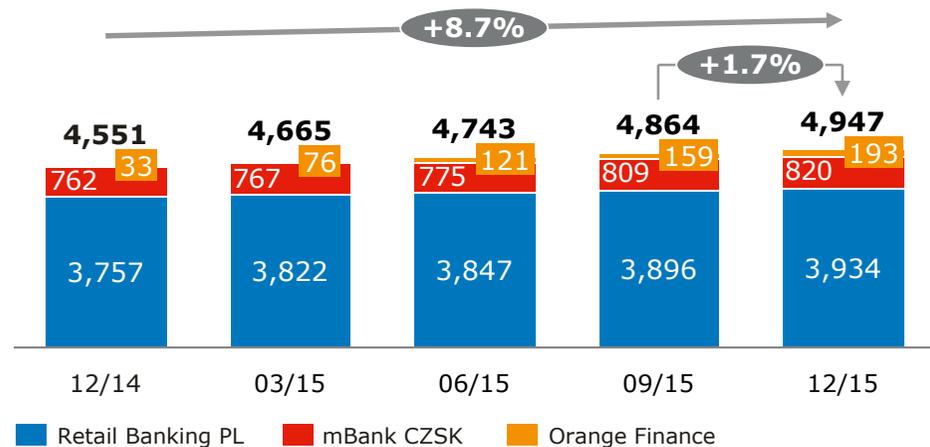
<i>in PLN million</i>	Q4/15	Q4/14	<i>Change YoY</i>	Q3/15
Gross loans to customers	81,409	77,373	 +5.2%	82,449
Retail client loans	46,259	41,560	 +11.3%	45,381
Core corporate client loans ¹	32,416	29,002	 +11.8%	32,305
Amounts due to customers	81,141	72,422	 +12.0%	78,546
Retail client deposits	46,117	39,285	 +17.4%	42,458
Core corporate client deposits ¹	33,330	28,499	 +17.0%	31,833
Loan to Deposit ratio	96.7%	103.0%	 -6.3 p.p.	101.1%
NPL ratio	5.7%	6.4%	 -0.7 p.p.	5.9%
Coverage ratio	58.9%	51.9%	 +7.0 p.p.	57.1%
Common Equity Tier 1 Ratio	14.3%	12.2%	 +2.1 p.p.	14.1%
Total Capital Ratio	17.3%	14.7%	 +2.6 p.p.	17.0%

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

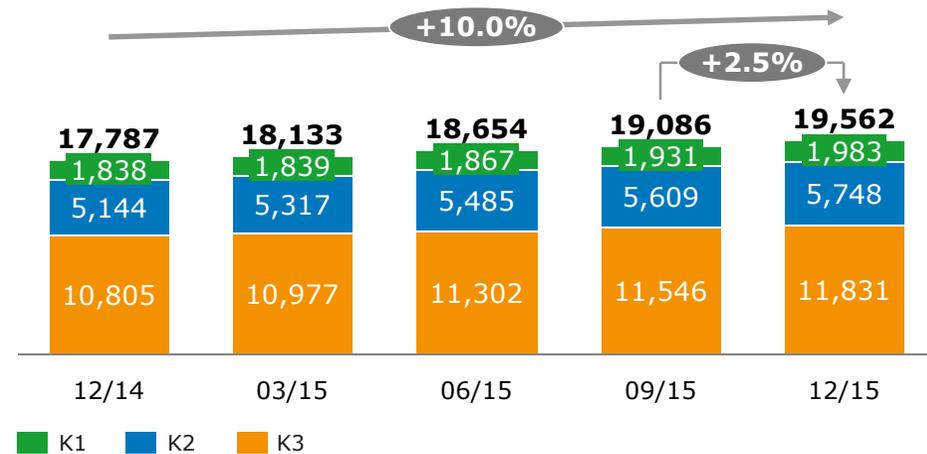
Summary of Q4/15 in mBank Group

Business Development: Client acquisition and Market shares

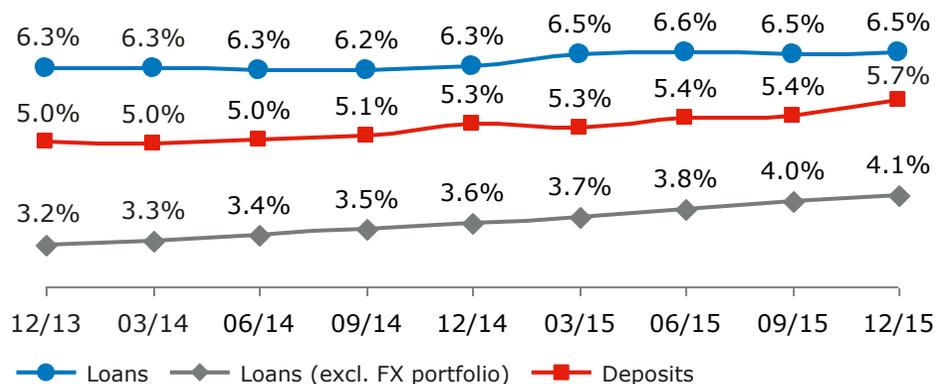
Number of Retail Clients (thou.)



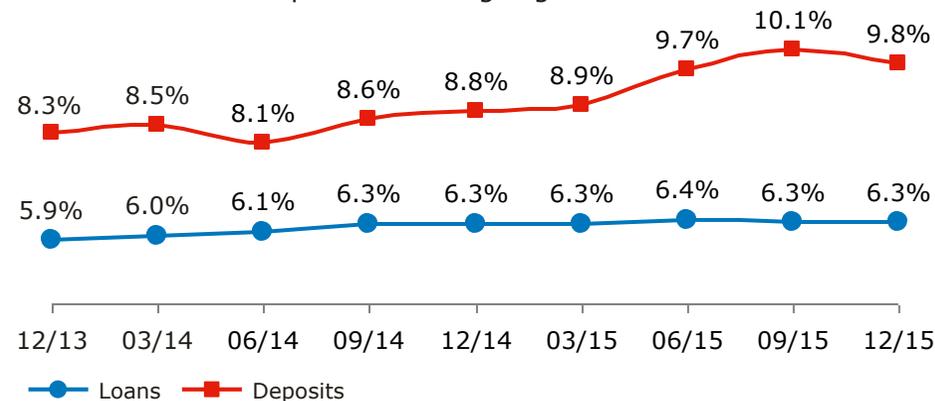
Number of Corporate Clients



Market shares in Retail Banking segment



Market shares in Corporate Banking segment



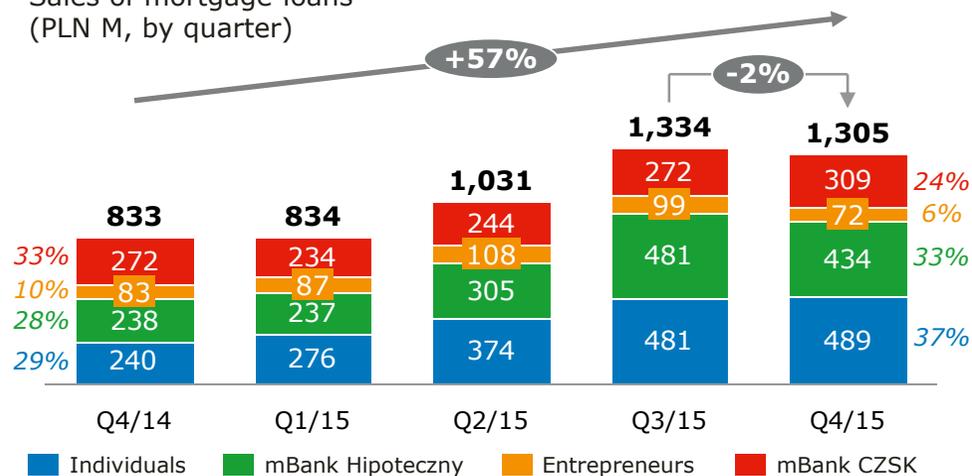
Note: Number of retail customers reduced to adjust for single client relationships maintained through multiple platforms i.e. mBank, former MultiBank and Orange Finance.

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.

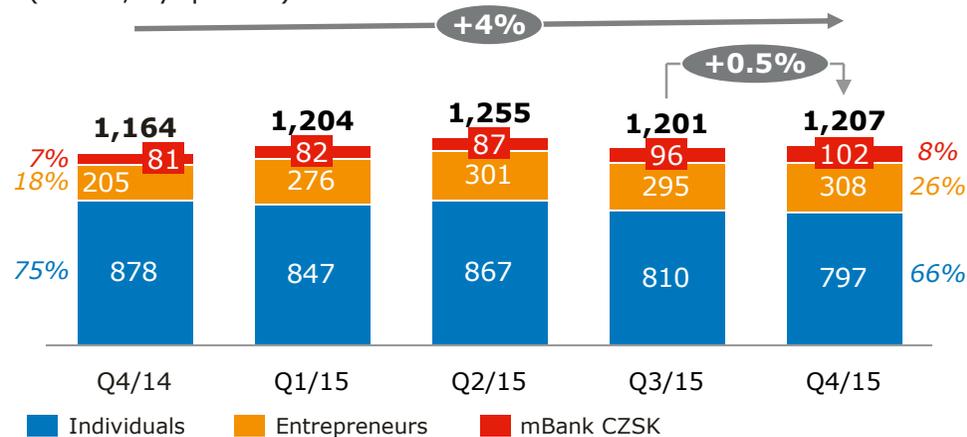
Summary of Q4/15 in mBank Group

Development of Retail and Corporate business

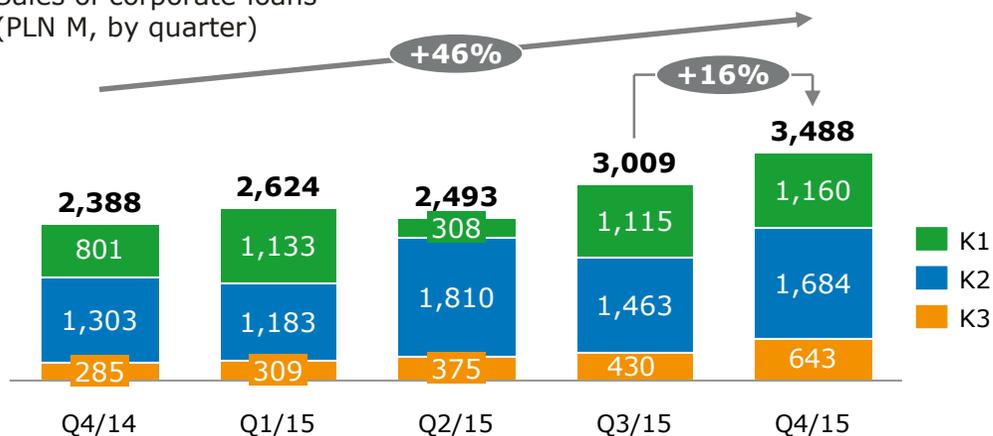
Sales of mortgage loans
(PLN M, by quarter)



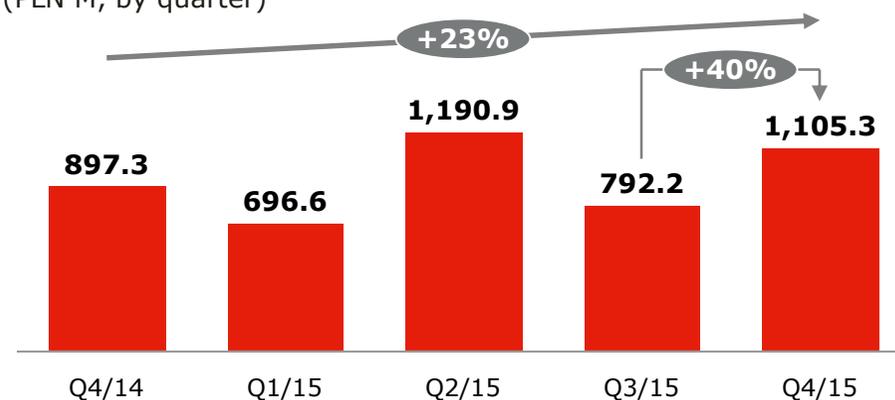
Sales of non-mortgage loans
(PLN M, by quarter)



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.

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Key Financials

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Development of retail and corporate business



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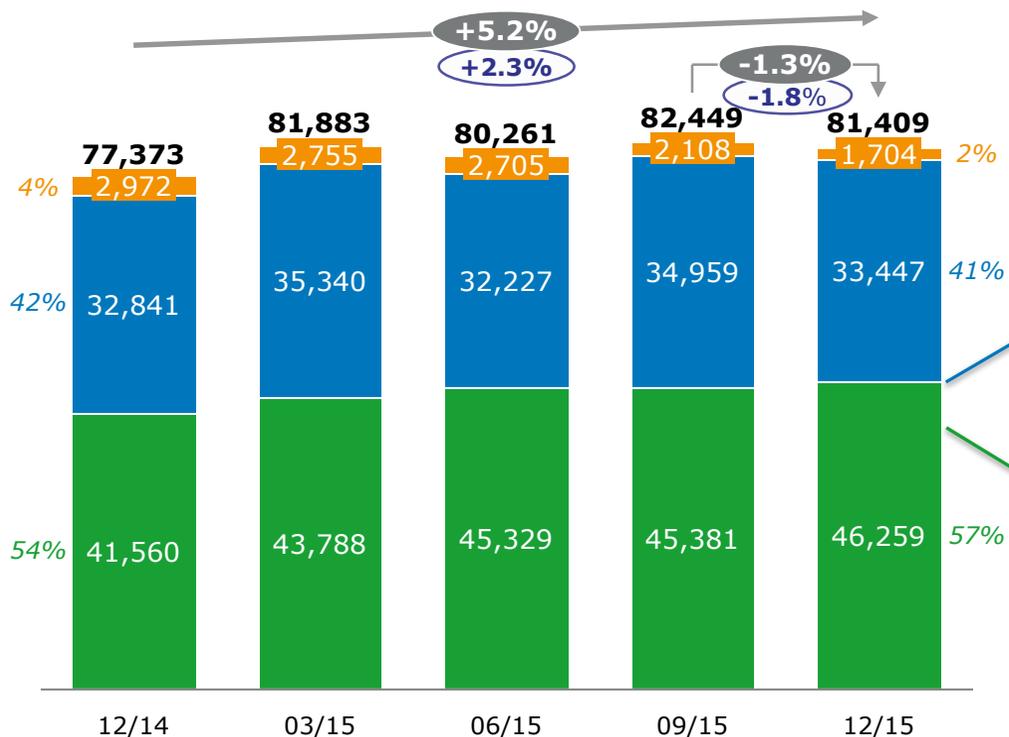
Detailed Results of Business Lines

Analysis of Q4/15 in mBank Group

Development of Loans to Customers

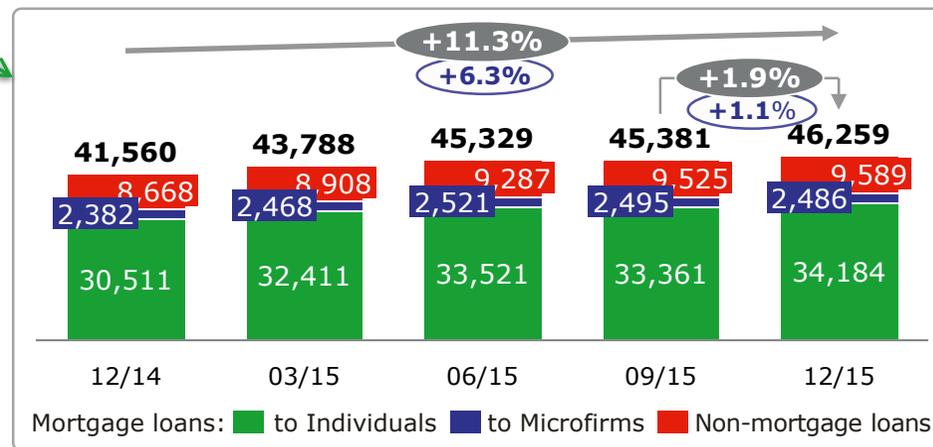
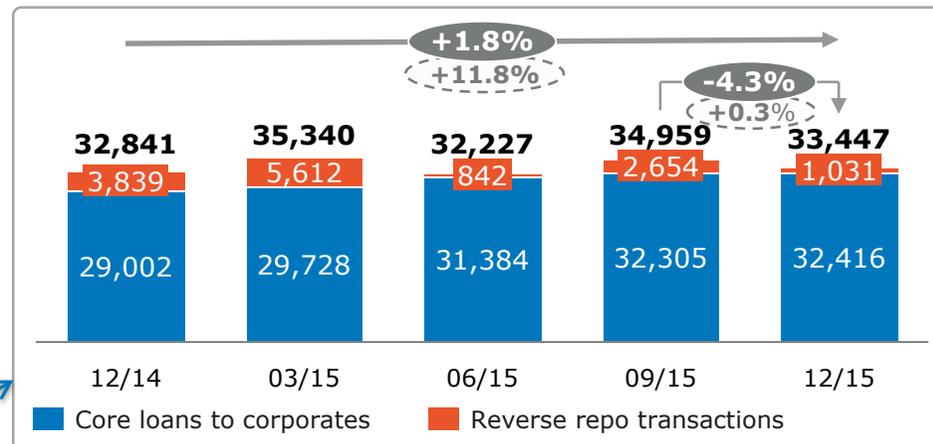
Core lending remains stable across segments

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

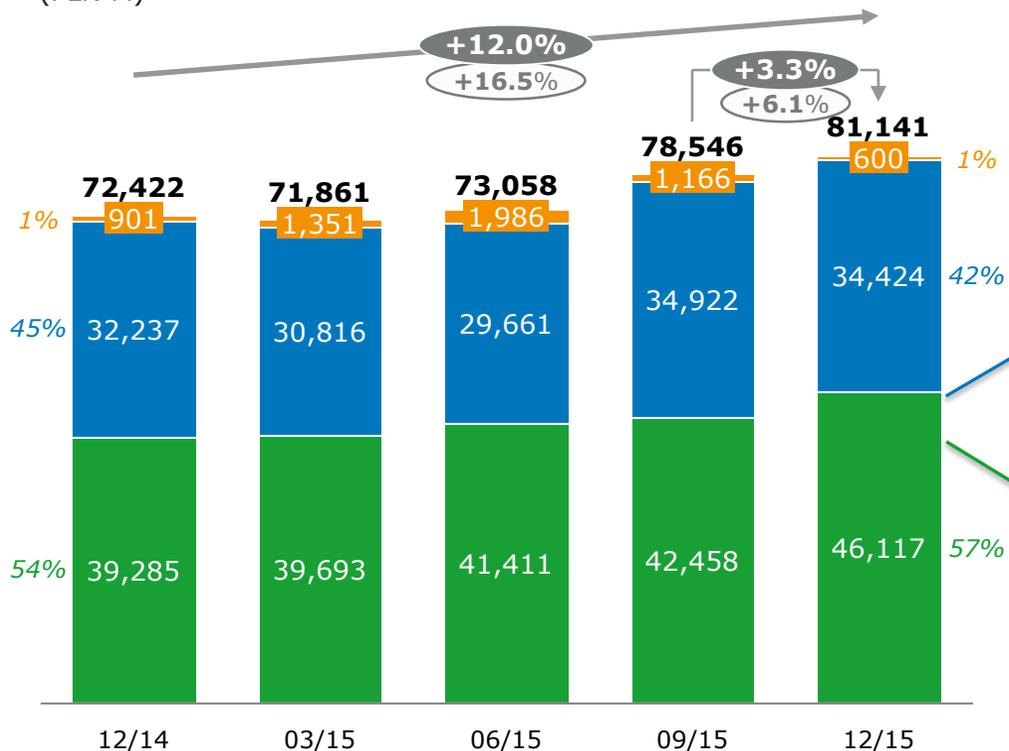


Analysis of Q4/15 in mBank Group

Development of Deposits

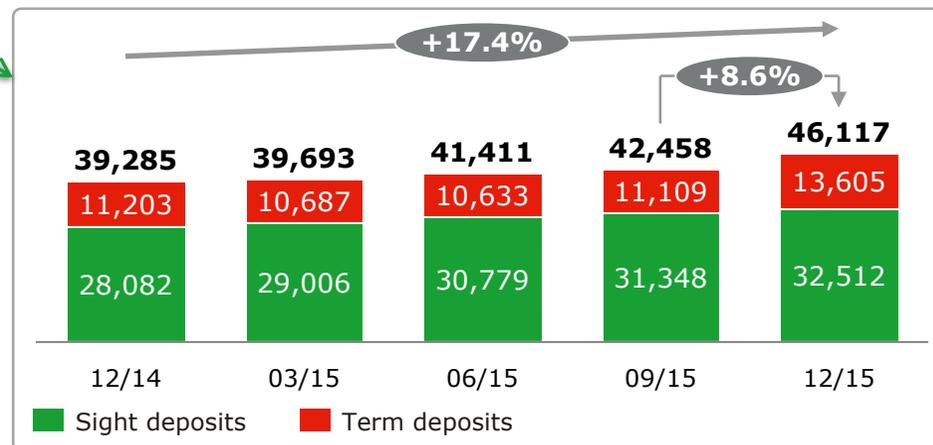
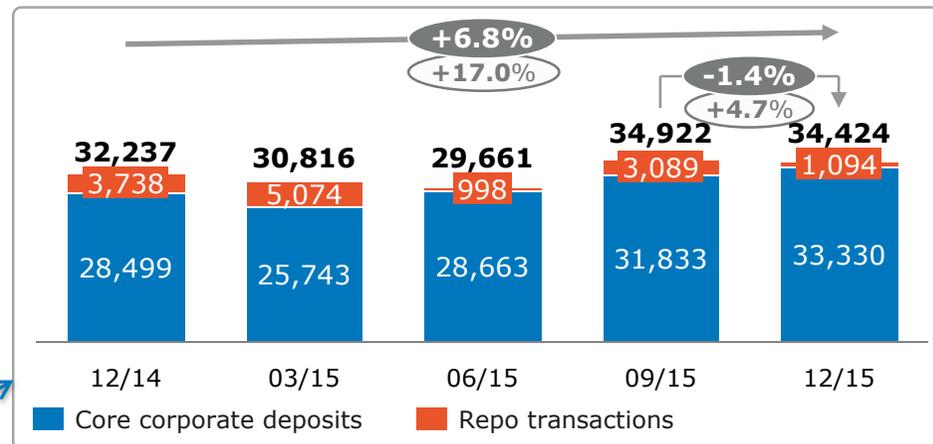
Dynamic deposit growth in both retail and corporate segment

Development of Amounts due to Customers (PLN M)



- Individual clients
- Corporate clients
- Public sector

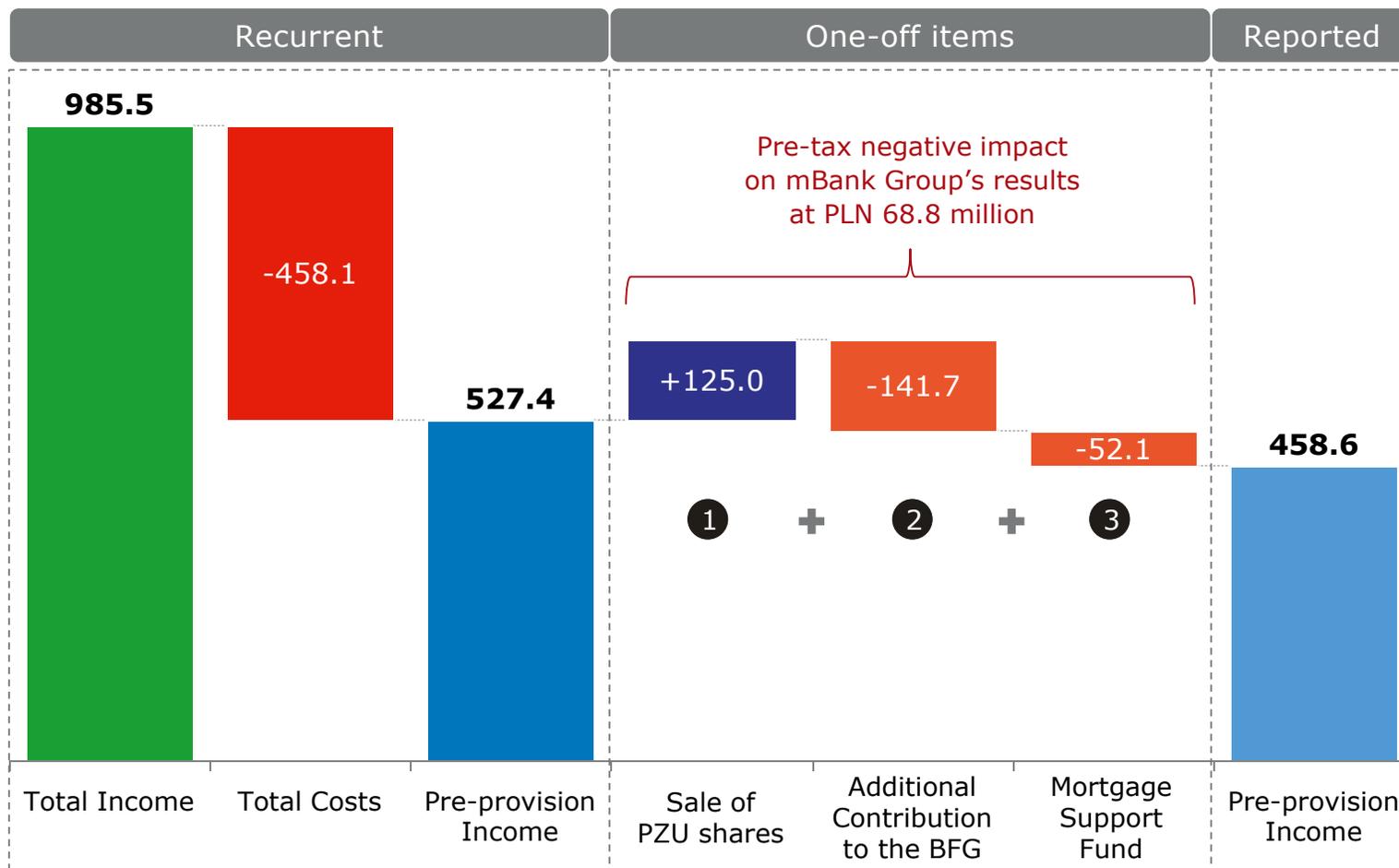
+X.X% Excluding Repo transactions



Analysis of Q4/15 in mBank Group

Development of recurrent and reported results

Decomposition of mBank Group's Pre-provision Income in Q4/15
(PLN M)



1 Gain on the sale of shares of PZU through an accelerated bookbuilding process; the bank sold 4.711.700 shares, constituting 0.55% of the company's existing share capital, at the price of PLN 37.75 per share

2 Obligatory payment to the Bank Guarantee Fund (BFG) for the purpose of repayment of the guaranteed funds of the depositors of Cooperative Crafts and Agriculture Bank in Wołomin

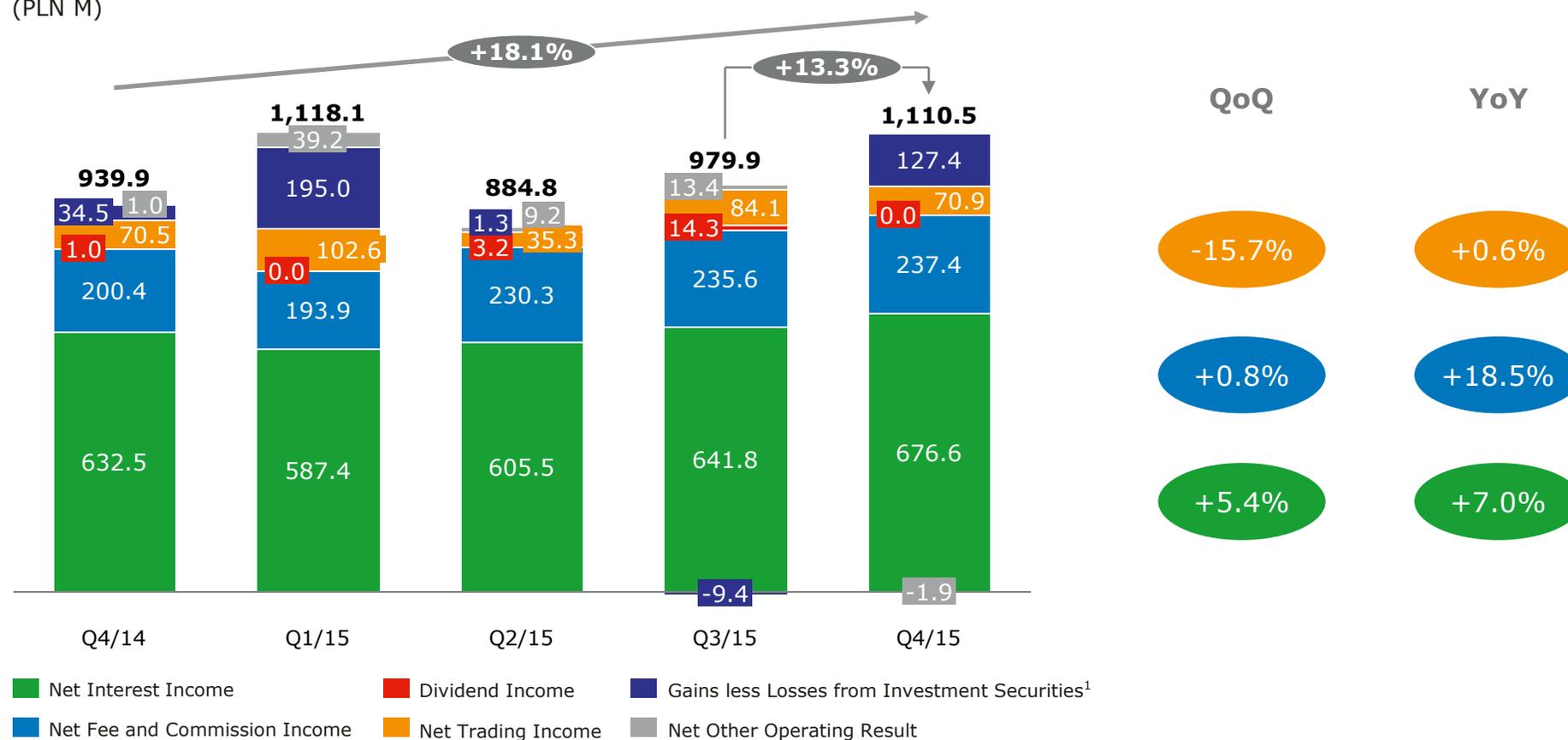
3 Provision related to the contribution for the support fund for distressed mortgage borrowers; the amount was determined by the board of the fund

Analysis of Q4/15 in mBank Group

Income of mBank Group

Core revenues at historically high level

Development of mBank Group's Income (PLN M)



¹ Incl. one-off gains on the sale of BRE Ubezpieczenia TuR (PLN 194.3 M) in Q1/15 and on the sale of PZU shares (PLN 125.0 M) in Q4/15

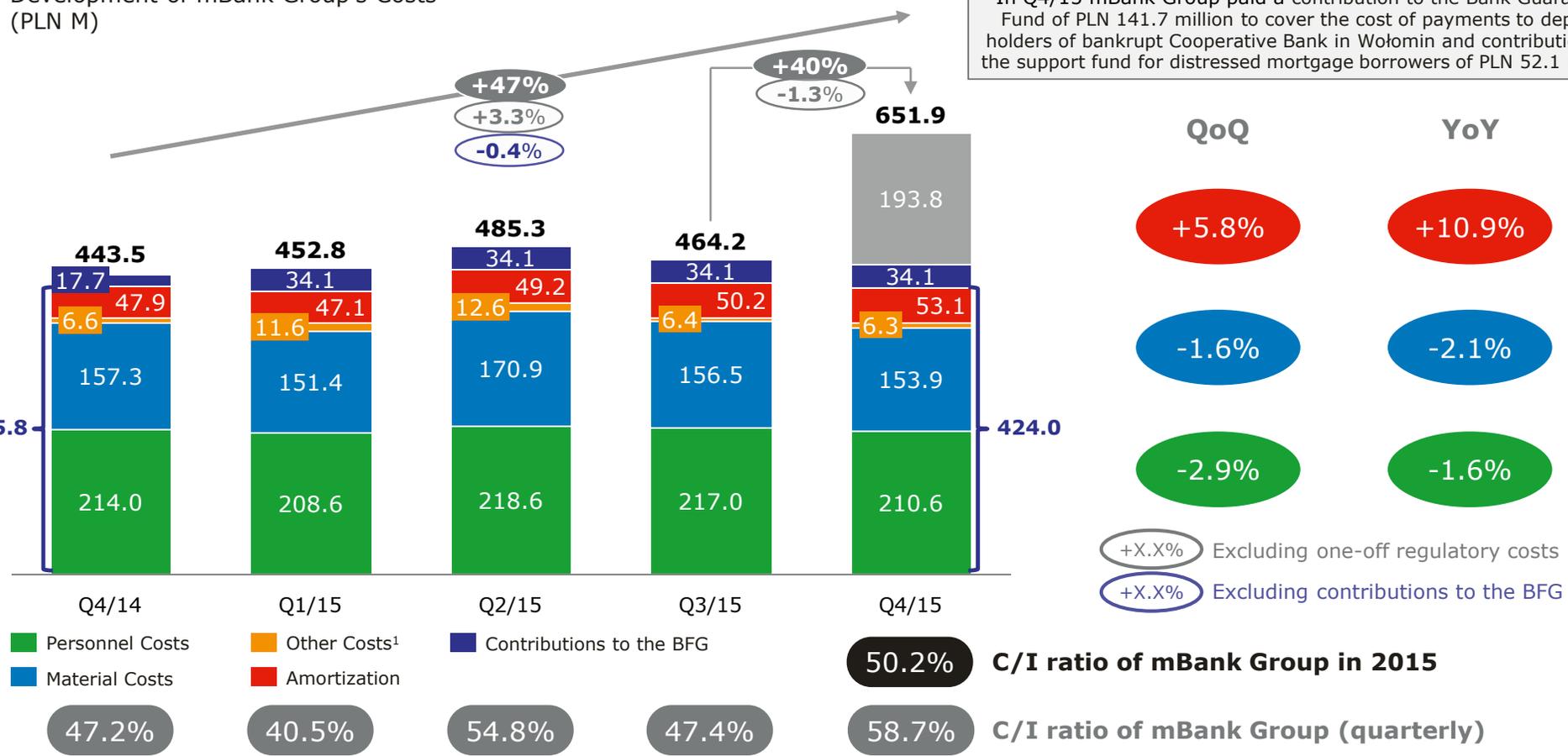
Analysis of Q4/15 in mBank Group

Costs of mBank Group

Stable cost base on a recurrent basis

Development of mBank Group's Costs (PLN M)

In Q4/15 mBank Group paid a contribution to the Bank Guarantee Fund of PLN 141.7 million to cover the cost of payments to deposit holders of bankrupt Cooperative Bank in Wołomin and contribution for the support fund for distressed mortgage borrowers of PLN 52.1 million



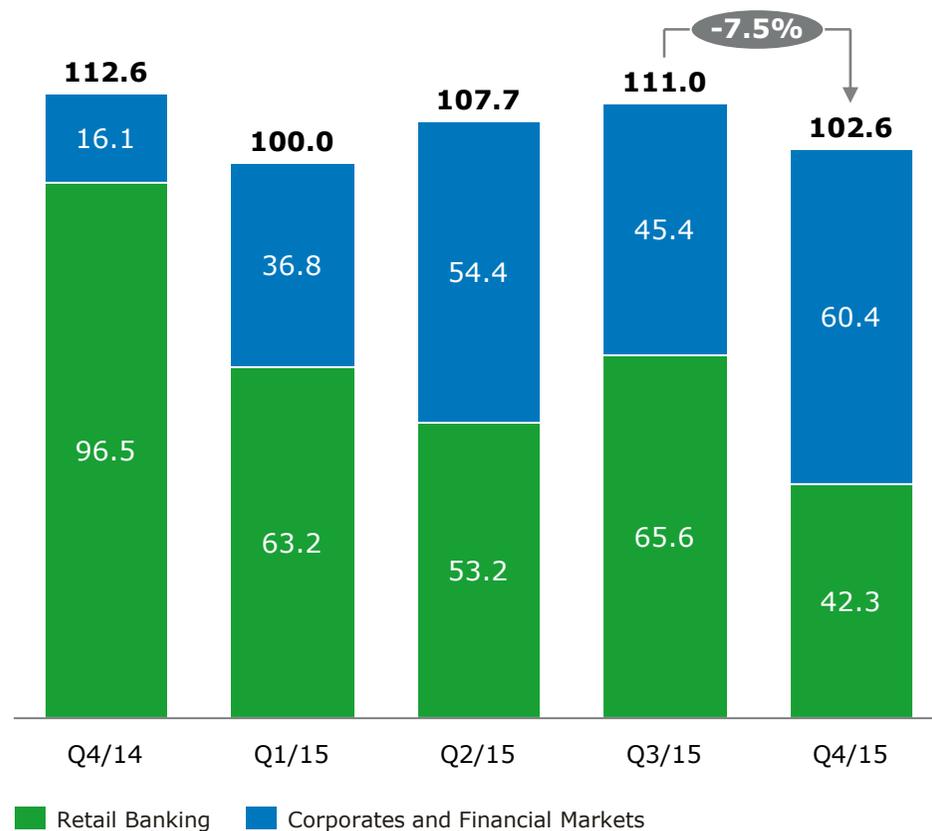
¹ Incl. taxes and fees, contributions to the Social Benefits Fund

Analysis of Q4/15 in mBank Group

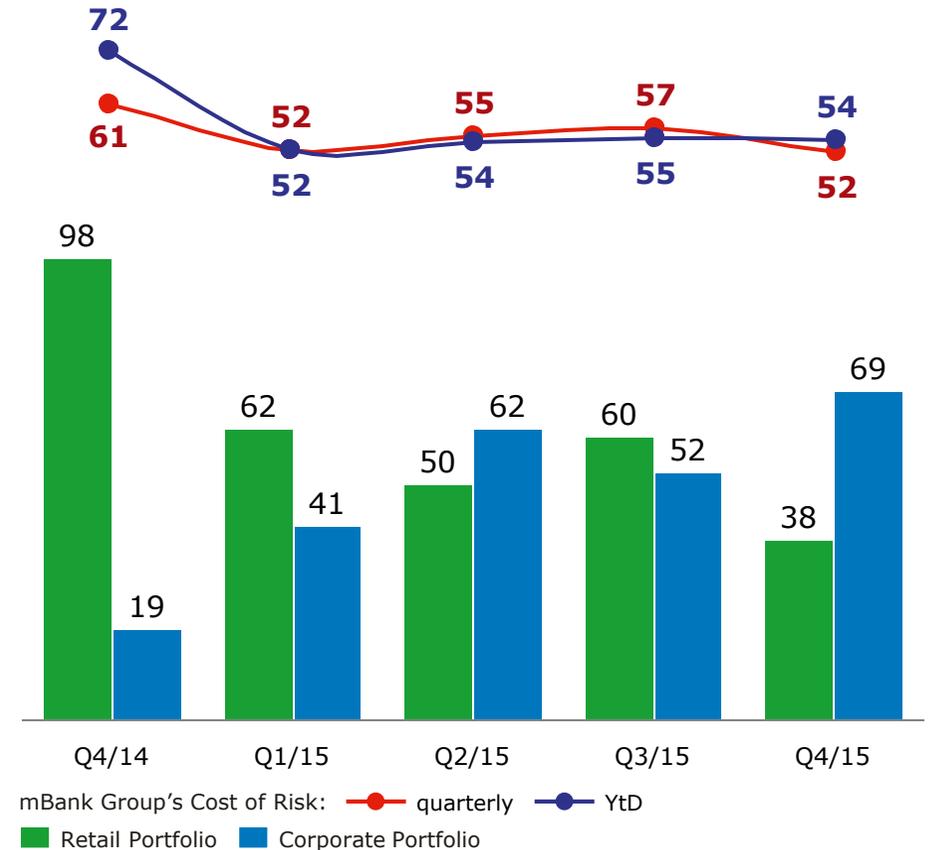
Loan Loss Provisions and Risk Costs

Stable cost of risk reflecting strong financial standing of clients

Net Impairment Losses on Loans and Advances
(PLN M)



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

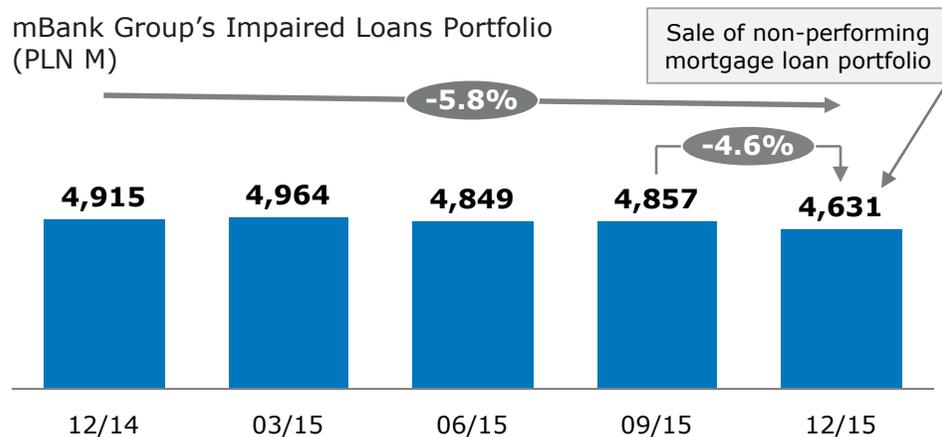


Analysis of Q4/15 in mBank Group

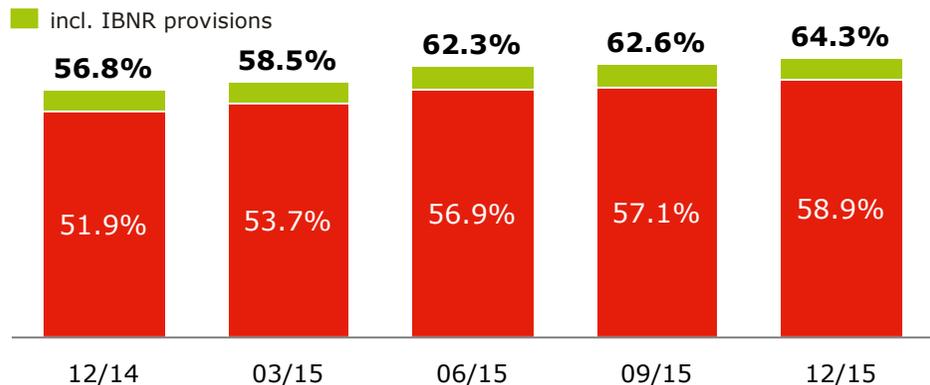
Loan Portfolio Quality

Improving coverage ratio and risk indicators

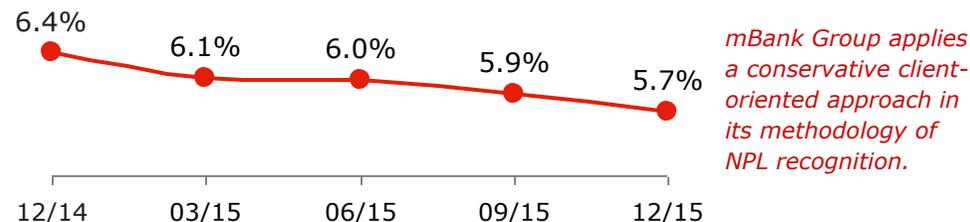
mBank Group's Impaired Loans Portfolio (PLN M)



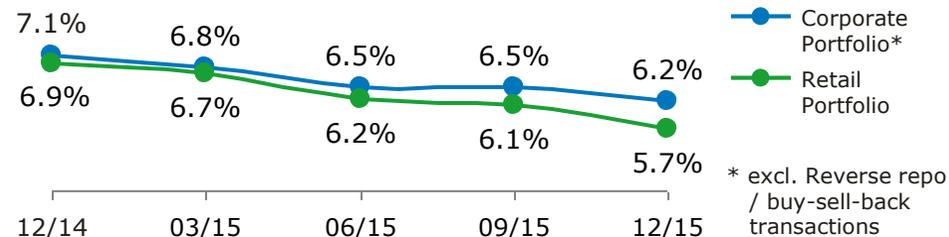
mBank Group's Coverage Ratio



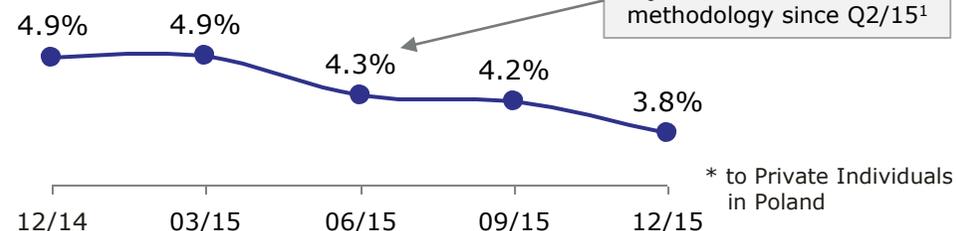
mBank Group's NPL Ratio



mBank Group's NPL Ratio by segment



NPL Ratio of Mortgage Loan Portfolio*



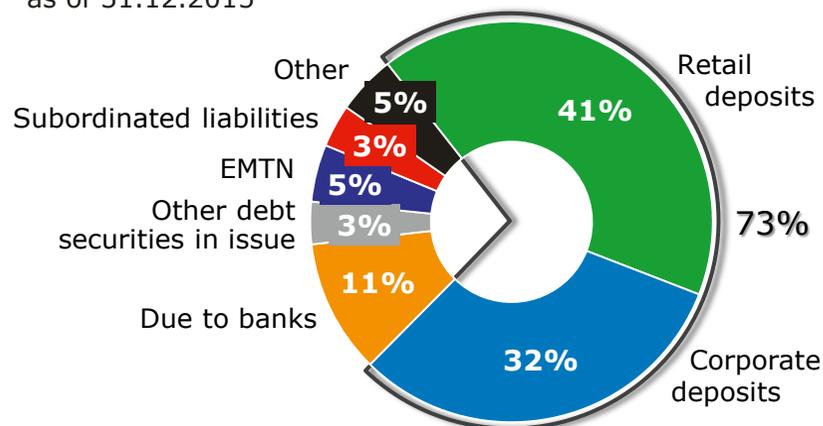
¹ Starting from Q2/15 overdue fees on current accounts and payment cards are excluded from cross-default conditions due to lack of relevance for ML servicing capacity by borrowers

Analysis of Q4/15 in mBank Group

Funding Structure Details

A well diversified funding profile and further improving liquidity levels

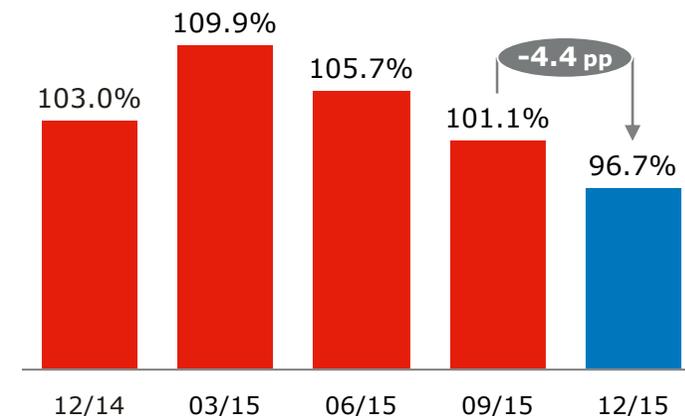
mBank Group's funding structure as of 31.12.2015



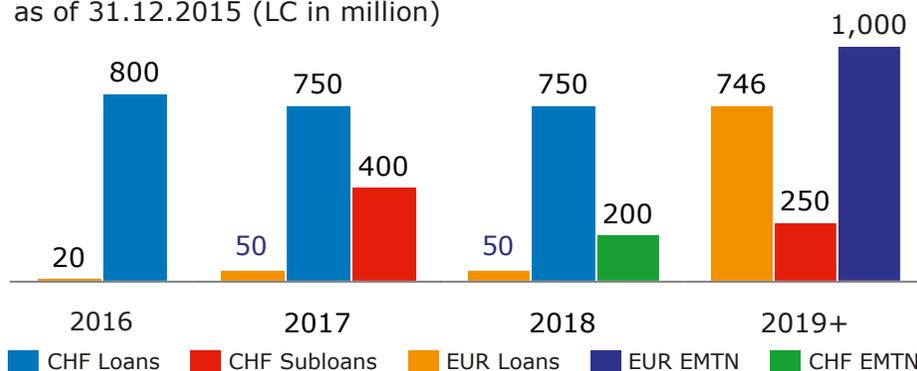
mBank's ratings

Fitch	
Long-term rating	BBB-
Short-term rating	F3
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 31.12.2015 (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 ¹	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%

¹ redeemed at maturity

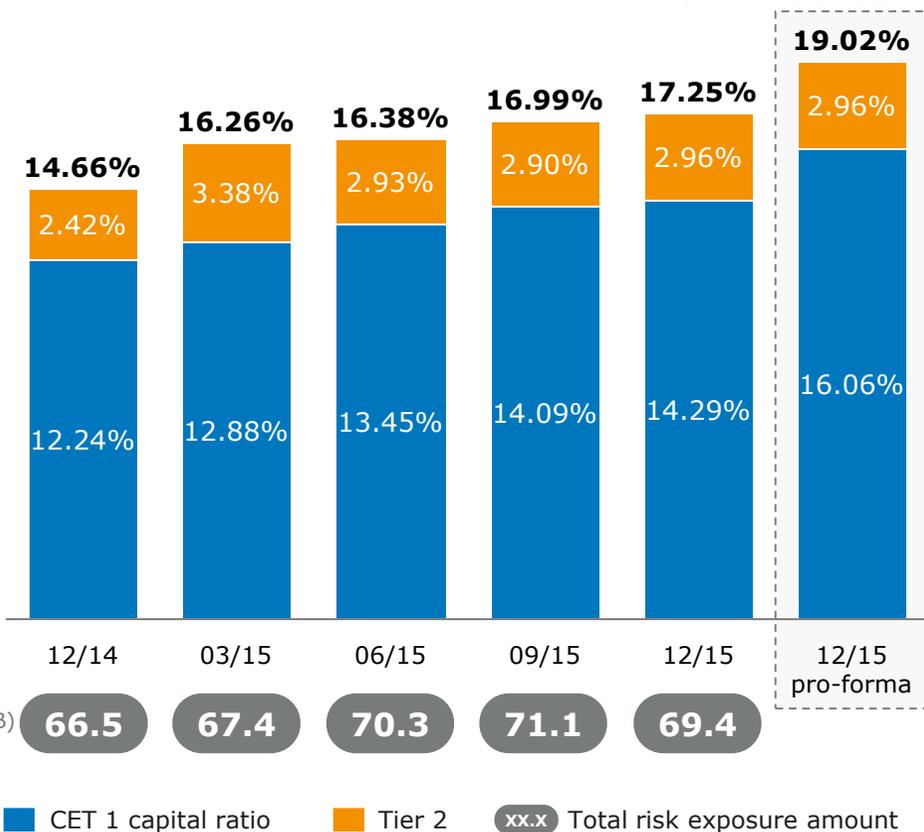
Analysis of Q4/15 in mBank Group

Key Regulatory Ratios

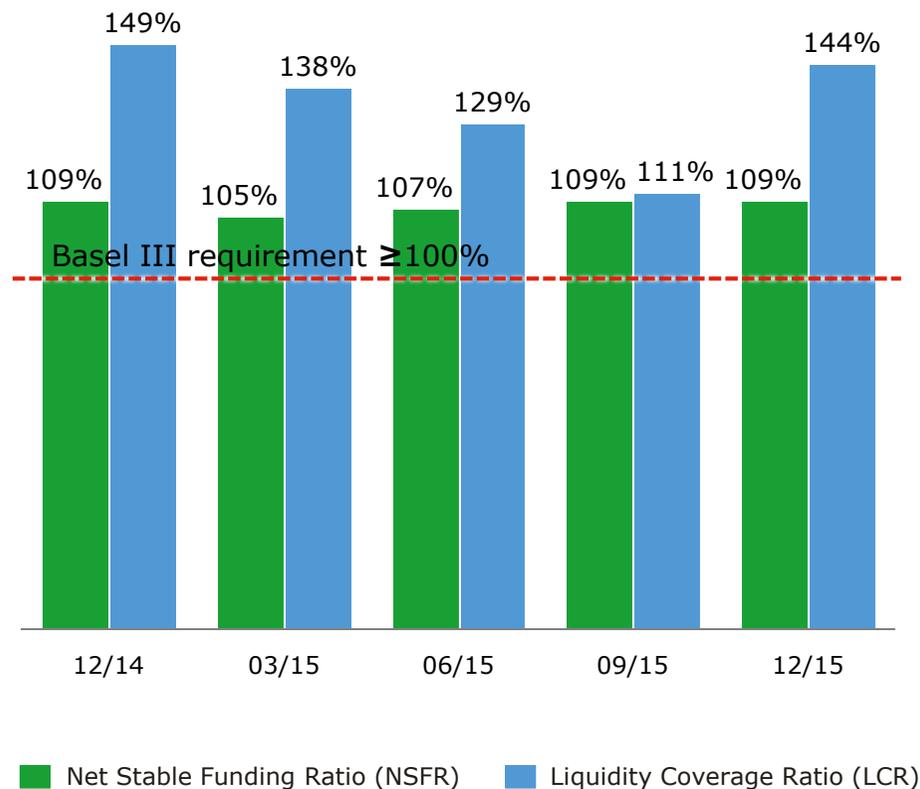
Strong capital position and liquidity above regulatory requirements

mBank Group's Total Capital Ratio

*Ratios after OGM decisions
but before dividend allocation*



mBank's NSFR and LCR



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Macroeconomic Update

Appendix

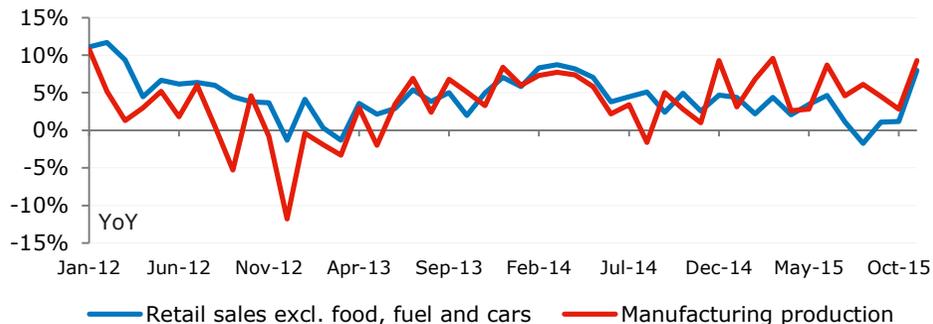
Additional Information: Selected Financial Data

Detailed Results of Business Lines

Macroeconomic Update (1/2)

Economic growth set to remain solid

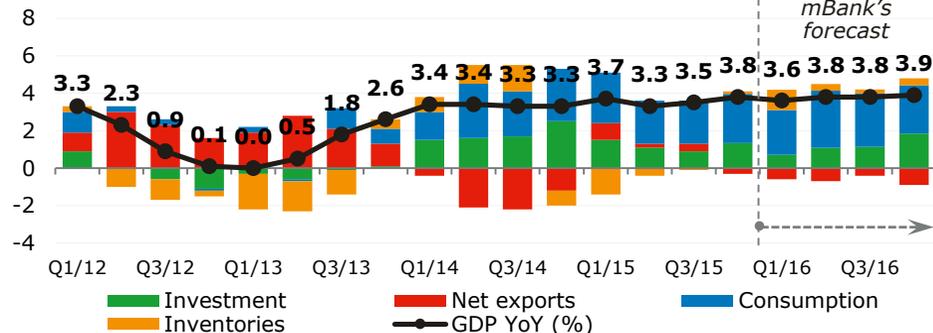
Polish economy is regaining momentum, recent data showed



- Monthly data for Q4/15 were a pleasant surprise. This suggests that the economy (with emphasis on industry retail trade) regained momentum in recent months. The only weak spot is construction.

Source: GUS, NBP

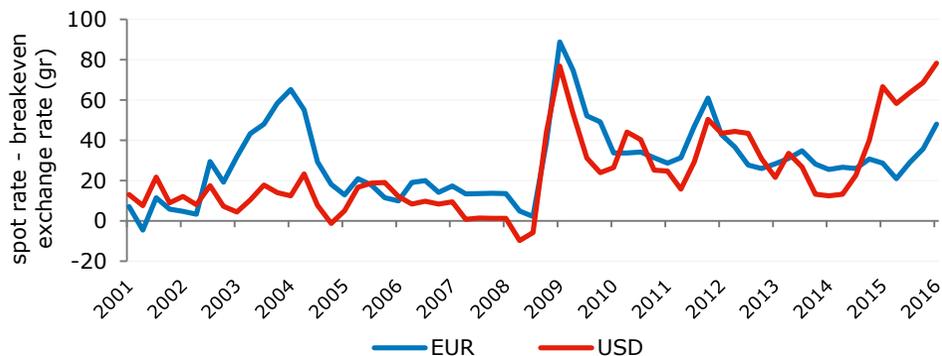
GDP forecast (% YoY)



- Economic growth will accelerate slightly in 2016 but its composition is set to change: more consumption (wages and social spending), less investment (uncertainty and local government austerity).

Source: GUS, NBP

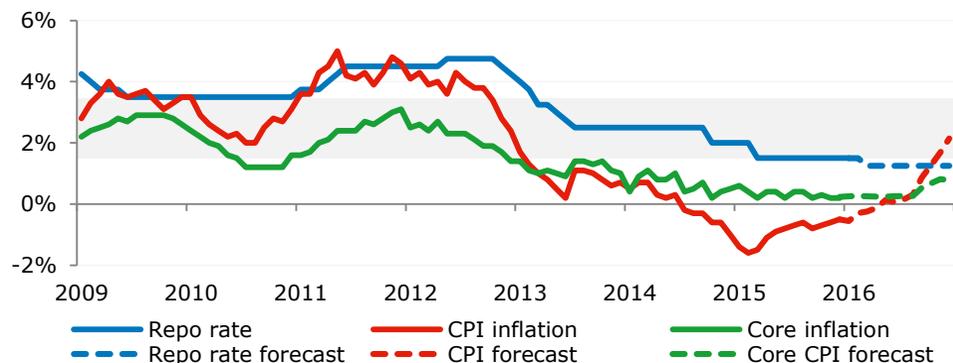
Recent PLN depreciation will boost exports



- Recent PLN depreciation (more than 10% in REER terms since June 2014) is a boon for exporters and increases both price competitiveness and profitability. Exports will boost growth in 2016.

Source: GUS, NBP

Inflation deeply negative, risk of rate cuts remains



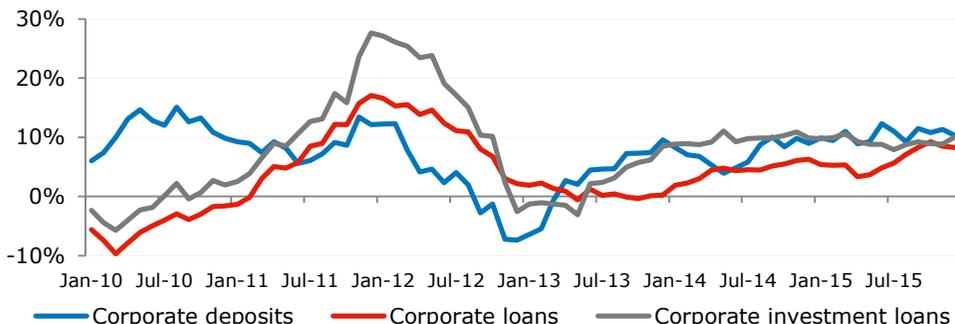
- Inflation will remain negative until April. Higher food prices and base effects in fuels will lift inflation in H2/16. Rate cuts are still possible but not very likely (much depends on the zloty).

Source: GUS

Macroeconomic Update (2/2)

Strong growth in corporate loans, cautious borrowing by households

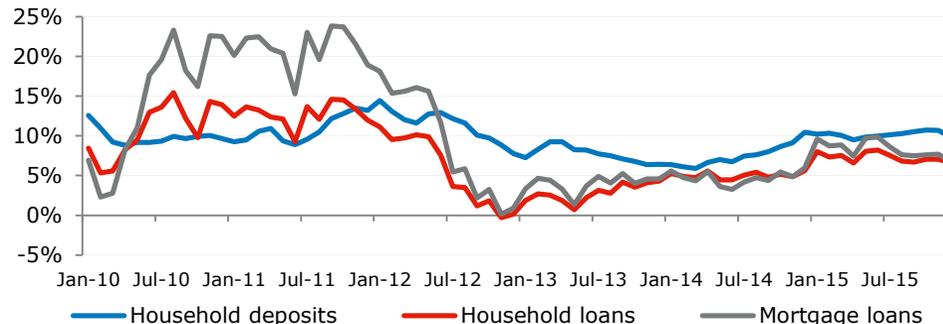
Corporate loans and deposits (% YoY)



- Corporate deposits accelerated thanks to low expenditure growth and stronger sales. Growth of corporate loans driven by all categories. Corporate lending mildly affected by the bank tax.

Source: NBP

Household loans and deposits (% YoY)



- Household deposits growing robustly and will continue to do so as no investment alternatives are attractive. Mortgage loans to be negatively impacted by bank tax and LTV limits.

Source: NBP

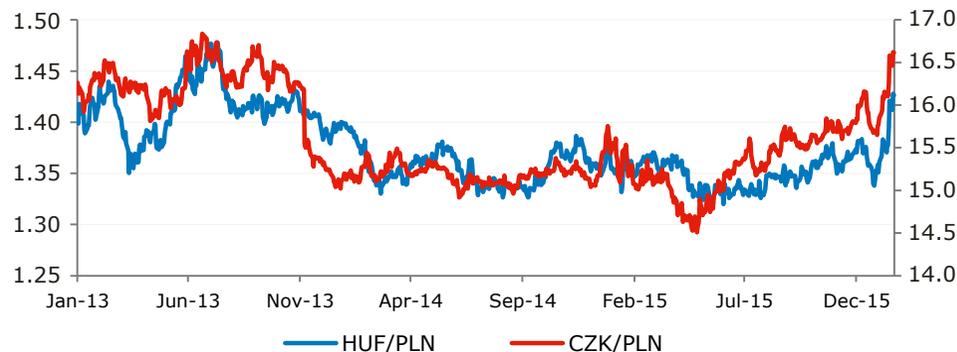
Steep yield curve, strong demand for short bonds from banks



- Political risks, fiscal loosening and Emerging Markets sell-off are weighing on the long end. Short end is boosted by bank tax exemptions and resulting strong demand from banks.

Source: Bloomberg

PLN weakest in years, also against regional peers



- PLN remains weak due to political uncertainty (CHF loan issues, rating downgrade) and emerging market turmoil. It is expected to strengthen gradually in 2016 as the aforementioned factors fade.

Source: Bloomberg

2016 in forecasts and the impact on mBank Group

Macroeconomic environment and challenges for the banking sector

Key economic indicators

	2014	2015	2016F
GDP growth (YoY)	3.3%	3.6%	3.8%
Domestic demand (YoY)	4.9%	3.3%	4.4%
Private consumption (YoY)	2.6%	3.1%	3.8%
Investment (YoY)	9.8%	6.1%	6.0%
Inflation (eop)	-1.0%	-0.5%	2.2%
MPC rate (eop)	2.00	1.50	1.25
CHF/PLN (eop)	3.57	3.92	3.86
EUR/PLN (eop)	4.29	4.26	4.25

Banking sector – monetary aggregates YoY

	2014	2015	2016F
Corporate loans	6.3%	8.3%	8.1%
Mortgage loans	6.0%	6.8%	1.1%
Non-mortgage loans	5.0%	6.2%	7.4%
Corporate deposits	9.0%	10.3%	12.1%
Retail deposits	10.4%	9.8%	7.4%

Source: mBank's estimates as of February 1, 2016.

Impact on mBank

Net interest income & NIM (Slightly positive) 

- MPC decision on reduction of interest rates less likely
- Limited room for deposit re-pricing

Net Fee & Commission income (Positive) 

- Constantly rising client transactionality and strong acquisition in both retail and corporate segment
- Increase in selected fees to narrow earnings gap

Total costs (Negative) 

- Introduction of banking tax with the monthly rate of 0.0366% collected since February 2016
- Business-driven costs to remain well-contained

Loan Loss Provisions (Neutral) 

- Solid macroeconomic situation and low unemployment
- Small downside risk due to changing loan book mix

Agenda

mBank Group in 2015

Summary of Q4/15 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate business

Analysis of Q4/15 Results

Development of Loans and Deposits

Development of Income and Costs

Loan Portfolio Quality

Funding Structure Details

Capital and Liquidity Ratios

Macroeconomic Update



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Additional Information: Selected Financial Data

Detailed Results of Business Lines

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Additional Information: Selected Financial Data Consolidated Profit and Loss Account



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Quarterly results (PLN thou.)	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15
Net interest income	632,532	587,439	605,548	641,753	676,633
Net fee and commission income	200,365	193,857	230,336	235,583	237,400
Dividend income	986	31	3,158	14,345	6
Net trading income	70,512	102,618	35,312	84,105	70,900
<i>incl. FX result</i>	44,616	78,687	66,000	67,825	75,227
Gains less losses from investment securities	34,495	195,008	1,342	(9,372)	127,430
Net other operating income ¹	1,017	39,175	9,153	13,449	(1,886)
Total income	939,907	1,118,128	884,849	979,863	1,110,483
Total operating costs	(443,468)	(452,839)	(485,300)	(464,219)	(651,888)
<i>Overhead costs</i>	(395,570)	(405,708)	(436,133)	(414,006)	(598,749)
<i>Amortisation</i>	(47,898)	(47,131)	(49,167)	(50,213)	(53,139)
Loan loss provisions	(112,639)	(99,971)	(107,666)	(110,956)	(102,629)
Profit before tax	383,800	565,318	291,883	404,688	355,966
Net profit attributable to owners of mBank	308,617	450,936	221,323	319,501	309,486

¹ Incl. the share in the profits (losses) of joint ventures

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Additional Information: Selected Financial Data Consolidated Statement of Financial Position



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Assets (PLN thou.)	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15
Cash and balances with Central Bank	3 054 549	2 406 938	3 187 463	4 630 886	5 938 133
Loans and advances to banks	3 751 415	4 052 272	2 071 953	2 793 756	1 897 334
Trading securities	1 163 944	2 043 083	2 597 284	2 561 125	557 541
Derivative financial instruments	4 865 517	4 824 571	3 345 943	3 737 662	3 349 328
Loans and advances to customers	74 582 350	78 977 052	77 241 598	79 407 211	78 433 546
Investment securities	27 678 614	28 442 073	29 515 812	30 026 139	30 736 949
Intangible assets	465 626	458 185	469 853	477 160	519 049
Tangible fixed assets	717 377	706 458	691 833	692 640	744 522
Other assets	1 706 430	1 383 256	1 482 376	1 423 564	1 346 619
Total assets	117 985 822	123 293 888	120 604 115	125 750 143	123 523 021
Liabilities (PLN thou.)	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15
Amounts due to other banks	13 383 829	17 839 429	15 675 919	14 783 139	12 019 331
Derivative financial instruments	4 719 056	4 838 248	3 302 248	3 380 521	3 173 638
Amounts due to customers	72 422 479	71 861 014	73 058 259	78 545 901	81 140 866
Debt securities in issue	10 341 742	10 382 134	11 013 855	11 280 897	8 946 195
Subordinated liabilities	4 127 724	4 436 572	3 896 612	3 785 284	3 827 315
Other liabilities	1 918 012	2 336 627	2 109 689	2 051 324	2 140 712
Total liabilities	106 912 842	111 694 024	109 056 582	113 827 066	111 248 057
Total equity	11 072 980	11 599 864	11 547 533	11 923 077	12 274 964
Total liabilities and equity	117 985 822	123 293 888	120 604 115	125 750 143	123 523 021

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Additional Information: Selected Financial Data mBank Group's Ratios

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Financial Ratios	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15
Net Interest Margin (<i>quarterly</i>)	2.27%	2.06%	2.11%	2.12%	2.22%
Net Interest Margin YtD	2.30%	2.06%	2.08%	2.10%	2.13%
Net Interest Margin YtD (excl. CHF portfolio)	2.70%	2.38%	2.43%	2.45%	2.48%
Cost to Income Ratio (<i>quarterly</i>)	47.2%	40.5%	54.8%	47.4%	58.7%
Cost to Income Ratio YtD	44.9%	40.5%	46.8%	47.0%	50.2%
Cost of Risk (<i>quarterly</i>)	0.61%	0.52%	0.55%	0.57%	0.52%
Cost of Risk YtD	0.72%	0.52%	0.54%	0.55%	0.54%
ROE net (<i>quarterly</i>)	12.43%	16.40%	8.12%	11.62%	11.20%
ROE net YtD	13.13%	16.40%	12.28%	12.06%	11.84%
ROA net YtD	1.13%	1.48%	1.10%	1.07%	1.04%
Loans to Deposits	103.0%	109.9%	105.7%	101.1%	96.7%
Total Capital Ratio	14.66%	16.26%	16.38%	16.99%	17.25%
Common Equity Tier 1 Ratio	12.24%	12.88%	13.45%	14.09%	14.29%
Equity / Assets	9.4%	9.4%	9.6%	9.5%	9.9%
TREA / Assets	56.4%	54.7%	58.3%	56.5%	56.2%
NPL ratio	6.4%	6.1%	6.0%	5.9%	5.7%
NPL coverage ratio	51.9%	53.7%	56.9%	57.1%	58.9%
NPL coverage ratio incl. general provisions	56.8%	58.5%	62.3%	62.6%	64.3%

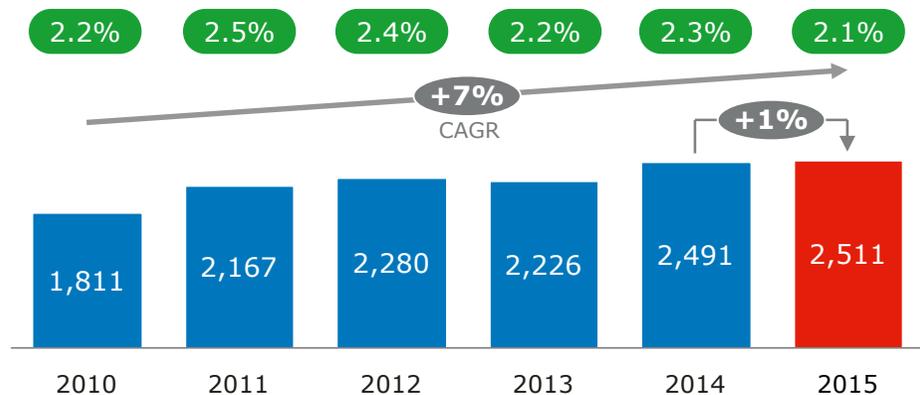
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mBank Group's historical performance (1/3)

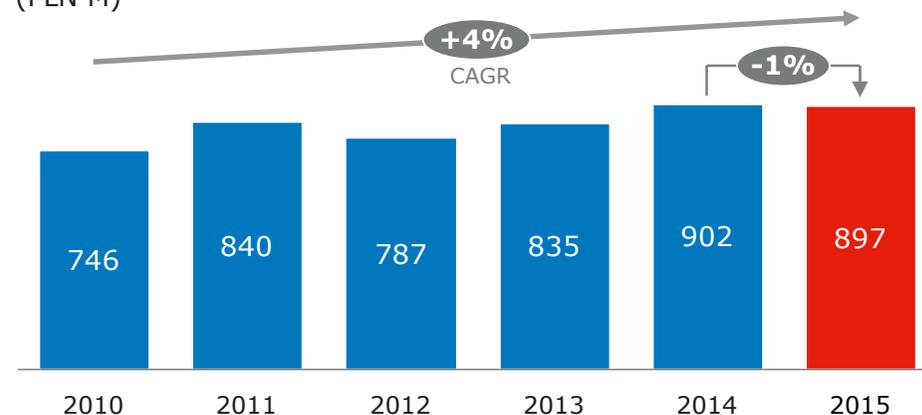


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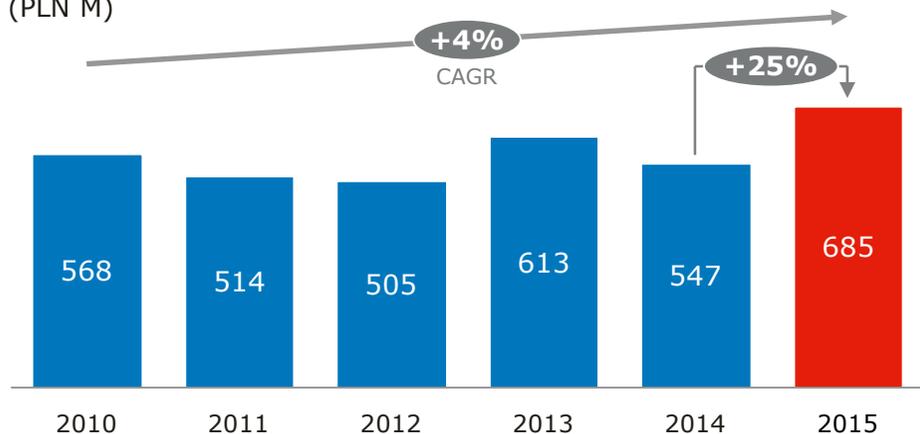
Net Interest Income & NIM
(PLN M)



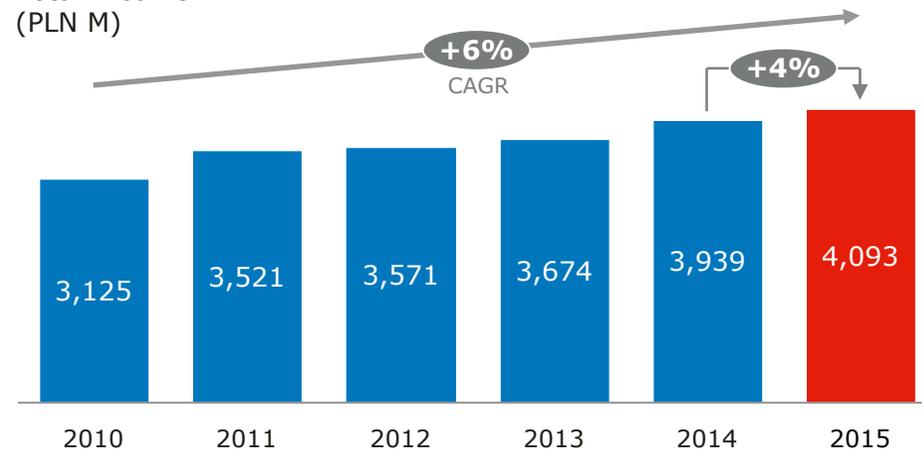
Net Fee and Commission Income
(PLN M)



Trading and Other Income
(PLN M)



Total Income
(PLN M)



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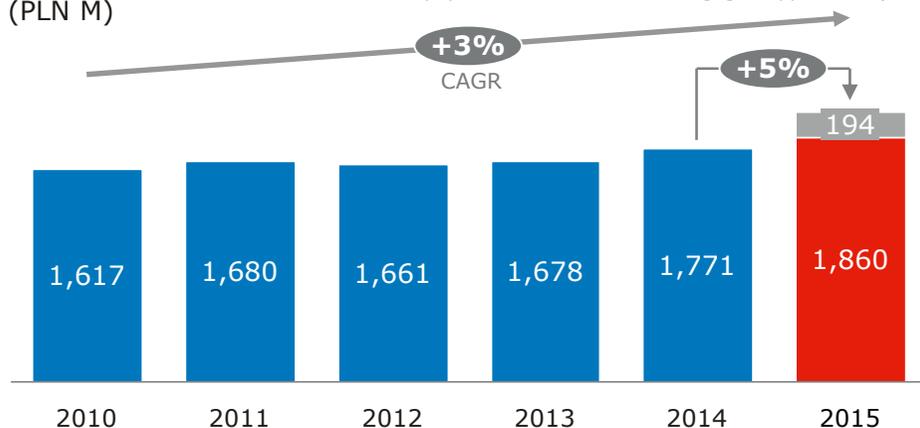
mBank Group's historical performance (2/3)



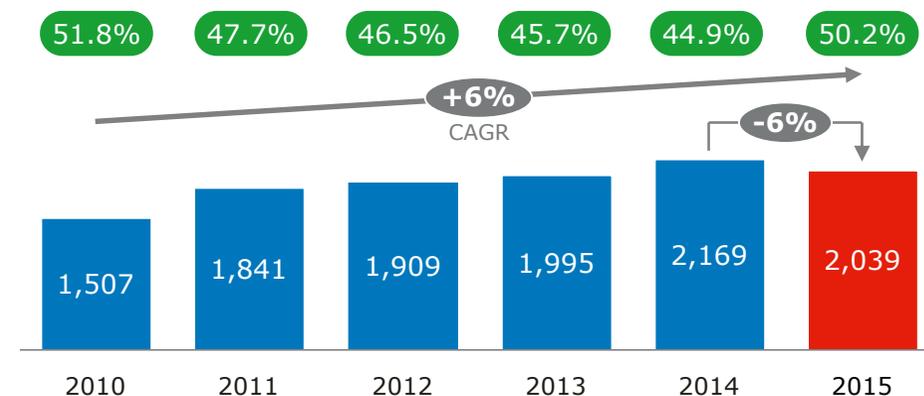
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Operating Costs (PLN M)

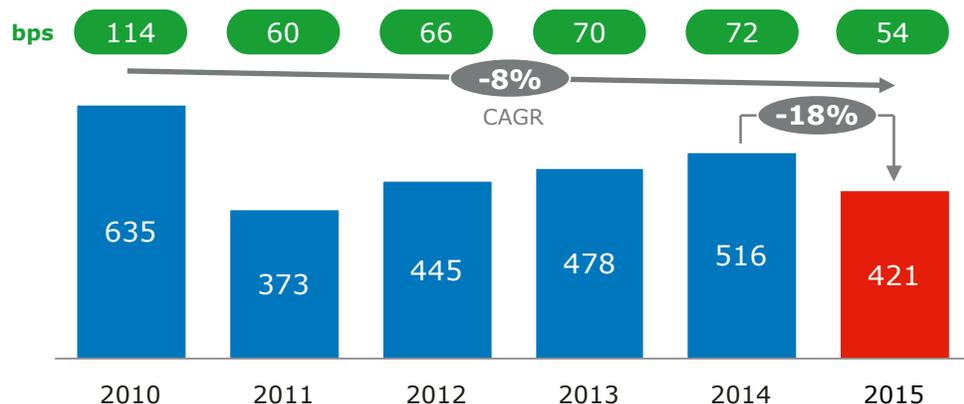
Dynamics excl. one-off regulatory costs (additional payment to the BFG and Mortgage Support Fund)



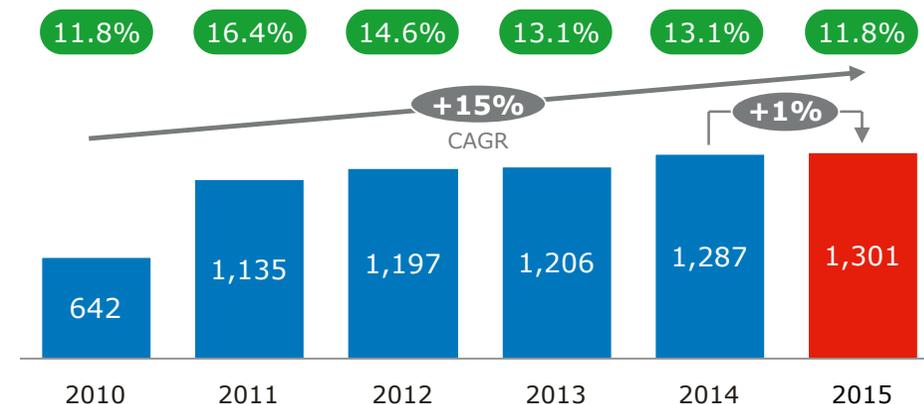
Pre-provision Income & C/I ratio (PLN M)



Loan Loss Provisions & Cost of Risk (PLN M)



Net Profit & Return on Equity (PLN M)



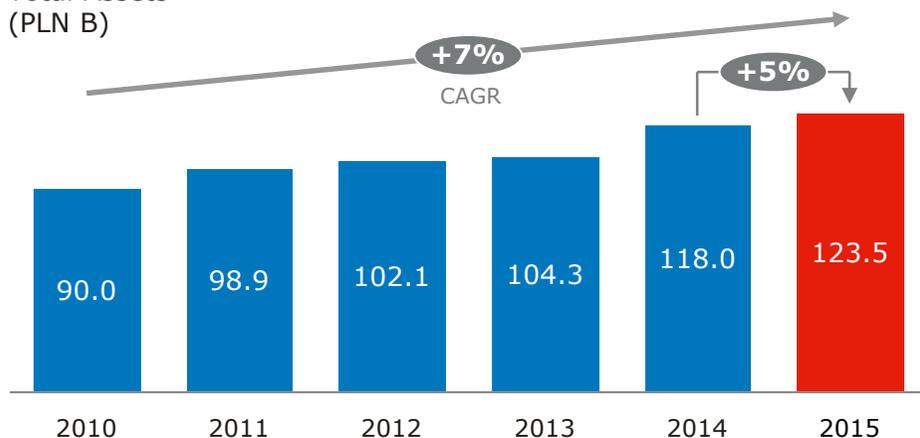
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mBank Group's historical performance (3/3)



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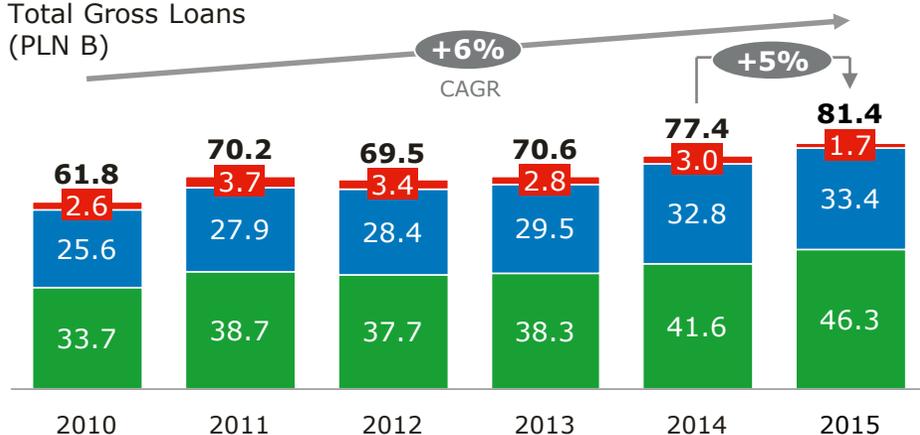
Total Assets (PLN B)



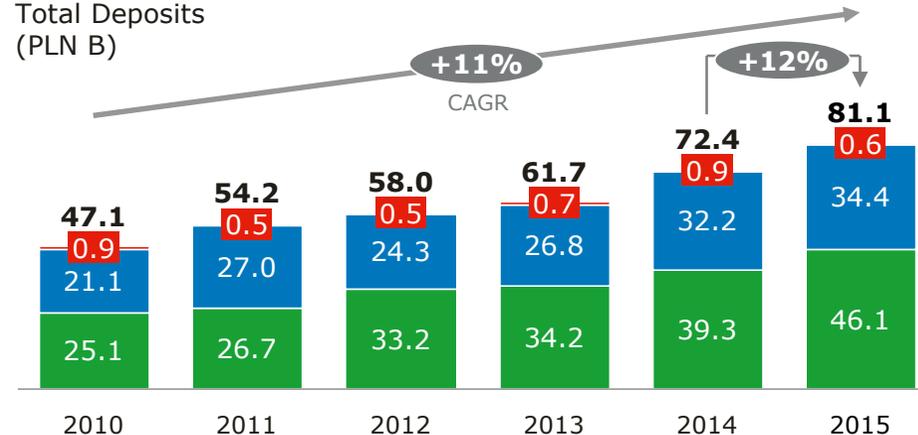
Equity & Total Capital Ratio (PLN M)



Total Gross Loans (PLN B)



Total Deposits (PLN B)



■ Individual clients ■ Corporate clients ■ Public sector and other

■ Individual clients ■ Corporate clients ■ Public sector

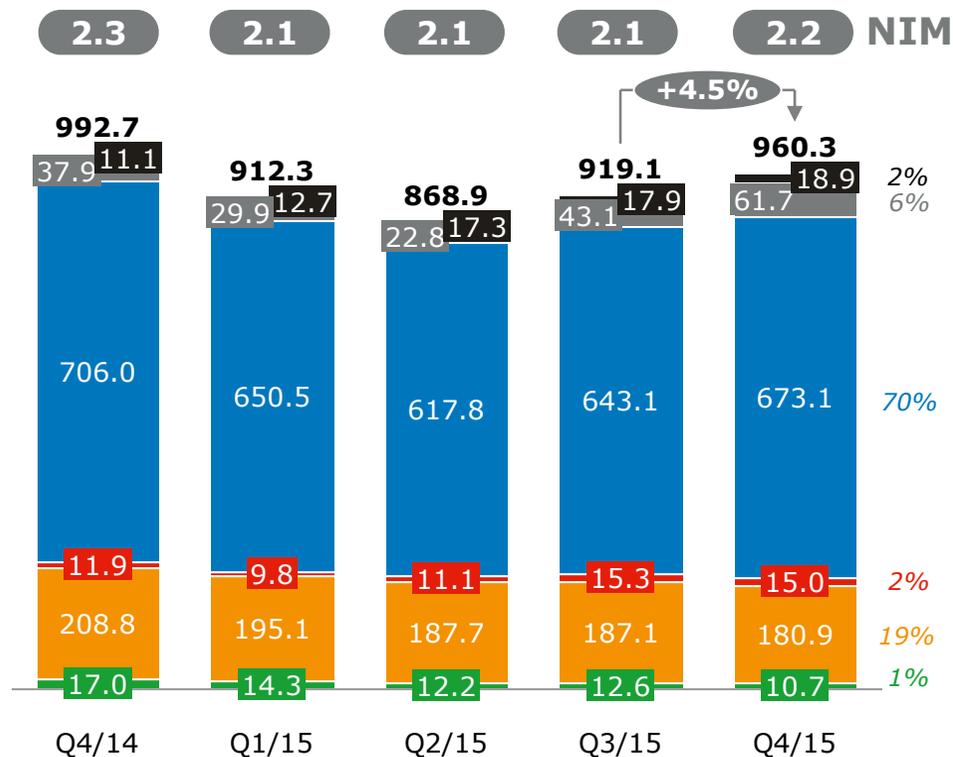
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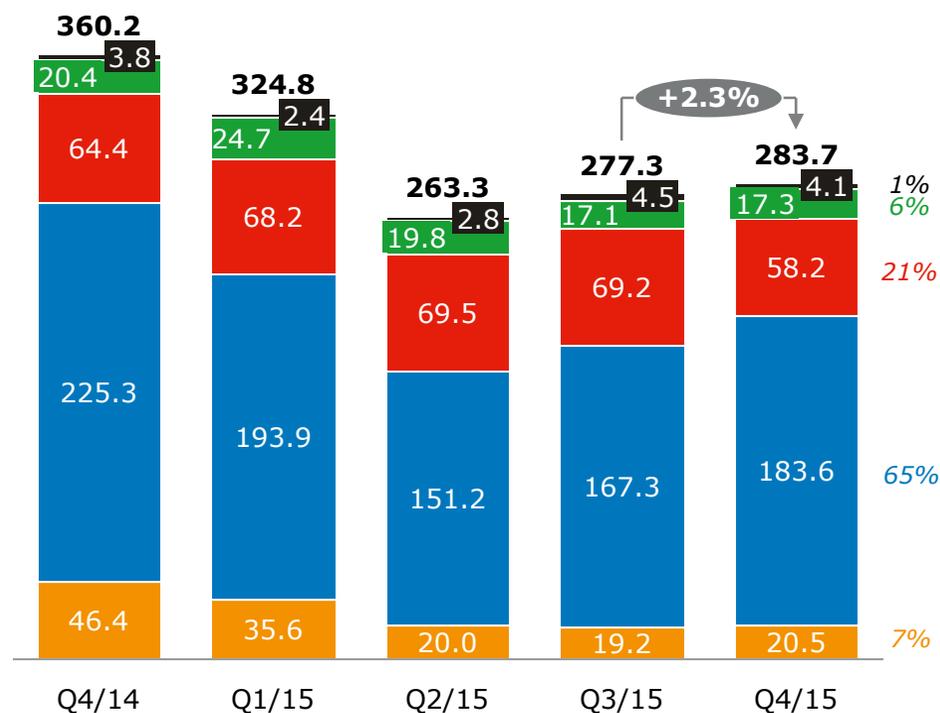
Additional Information: Selected Financial Data Net Interest Income & Margin

Interest Income Structure
(PLN M)



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

Interest Expense Structure
(PLN M)



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

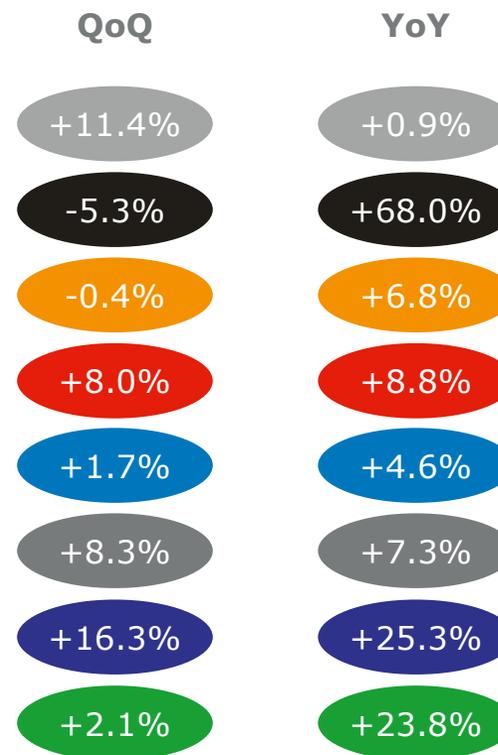
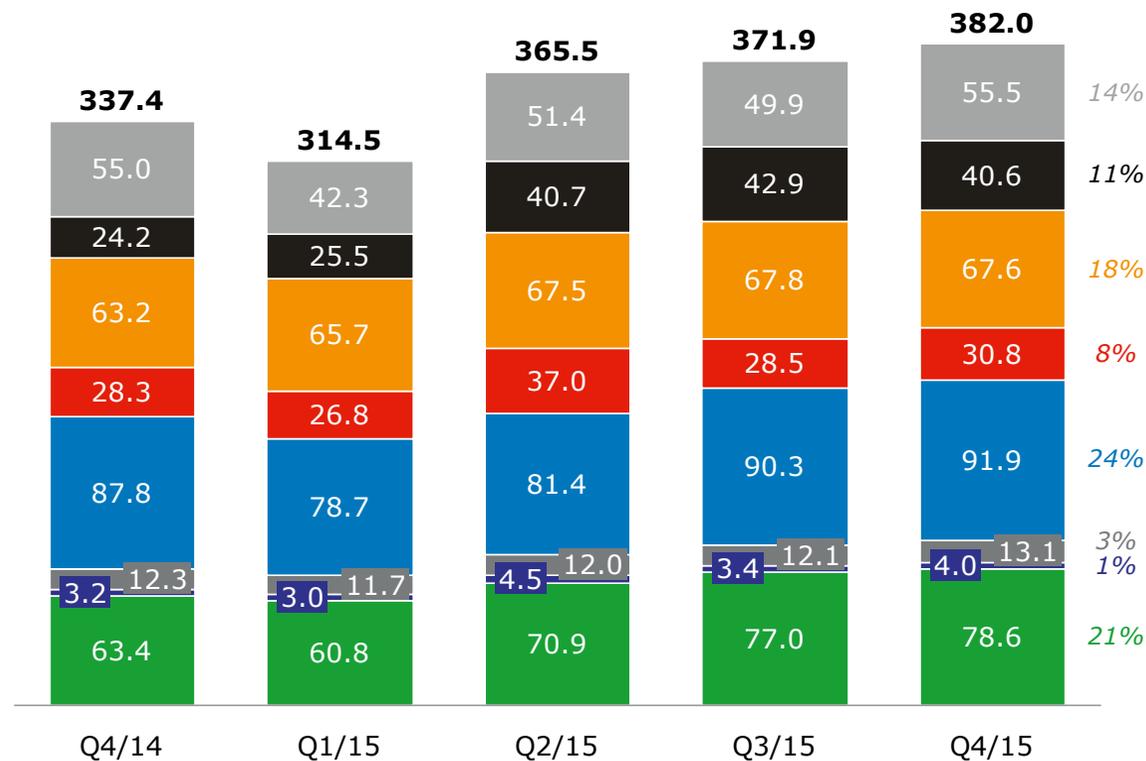
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Additional Information: Selected Financial Data Fee and Commission Income



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Fee and Commission Income Structure
(PLN M)



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

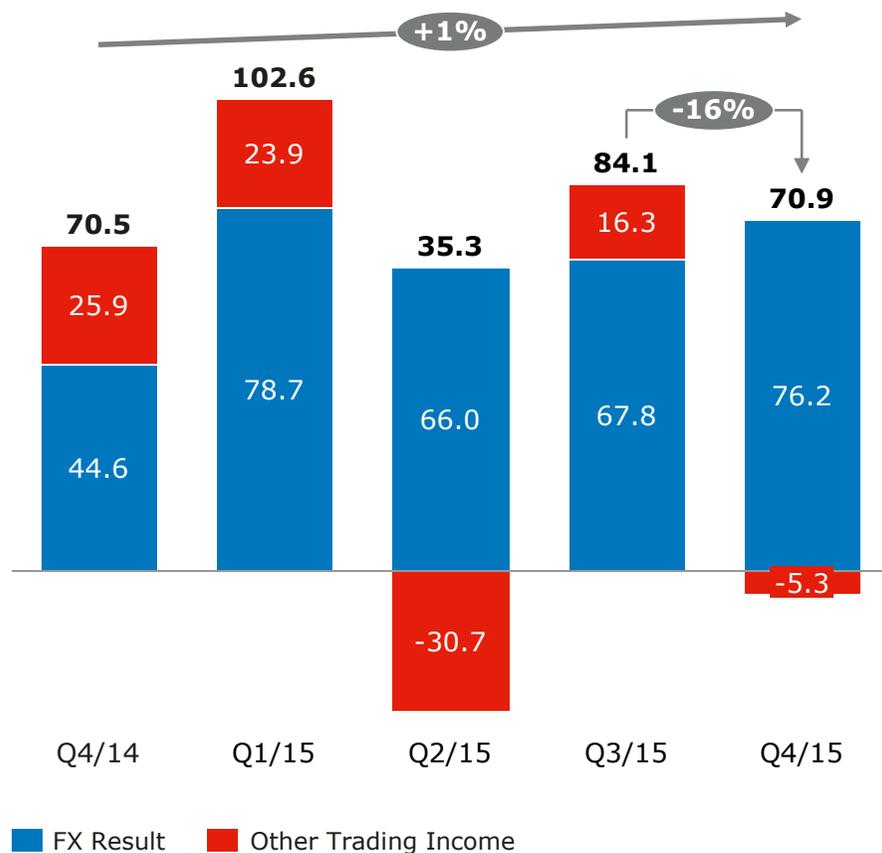
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Additional Information: Selected Financial Data Trading and Other Income

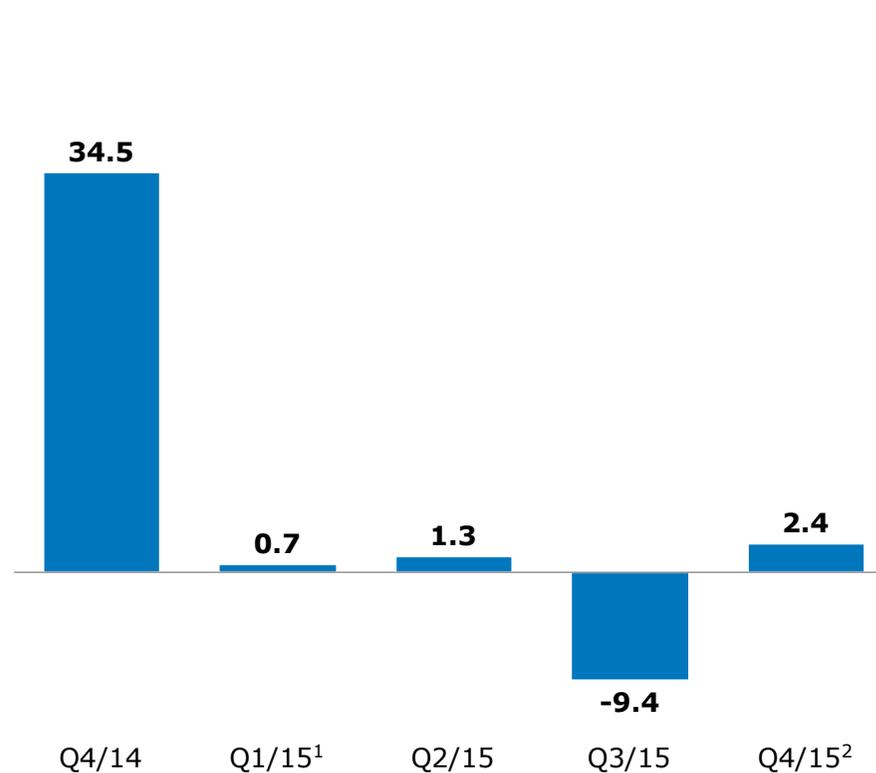


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Net Trading Income Structure
(PLN M)



Gains less Losses from Investment Securities
(PLN M)



¹ Excl. one-off gain on the sale of BRE Ubezpieczenia TUiR (PLN 194.3 M); ² Excl. one-off gain on the sale of PZU shares (PLN 125.0 M)

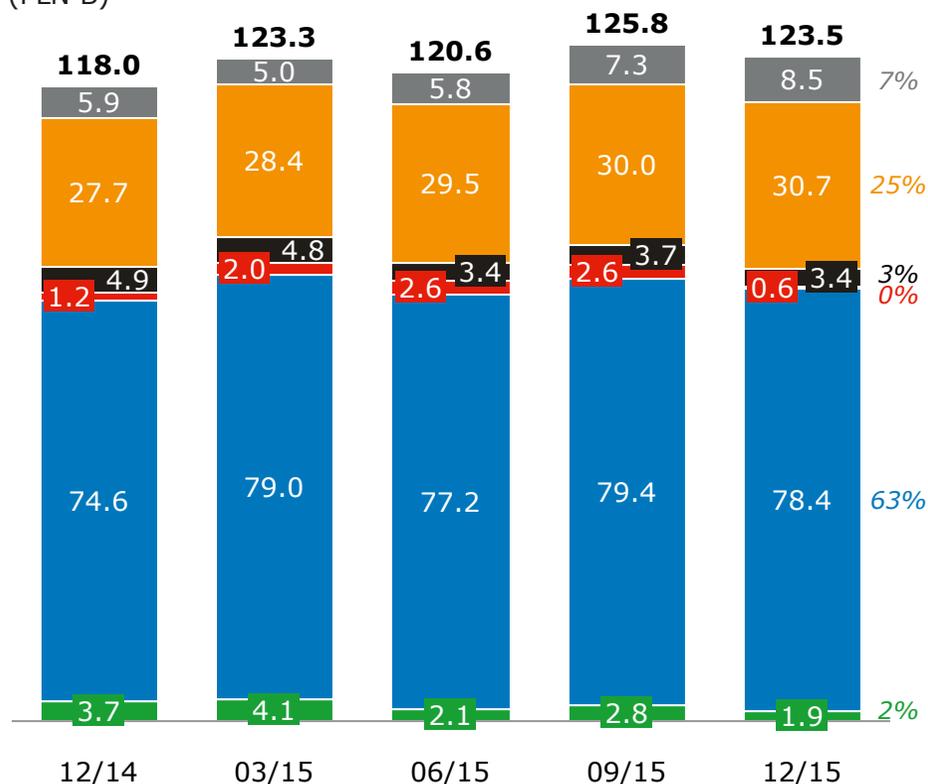
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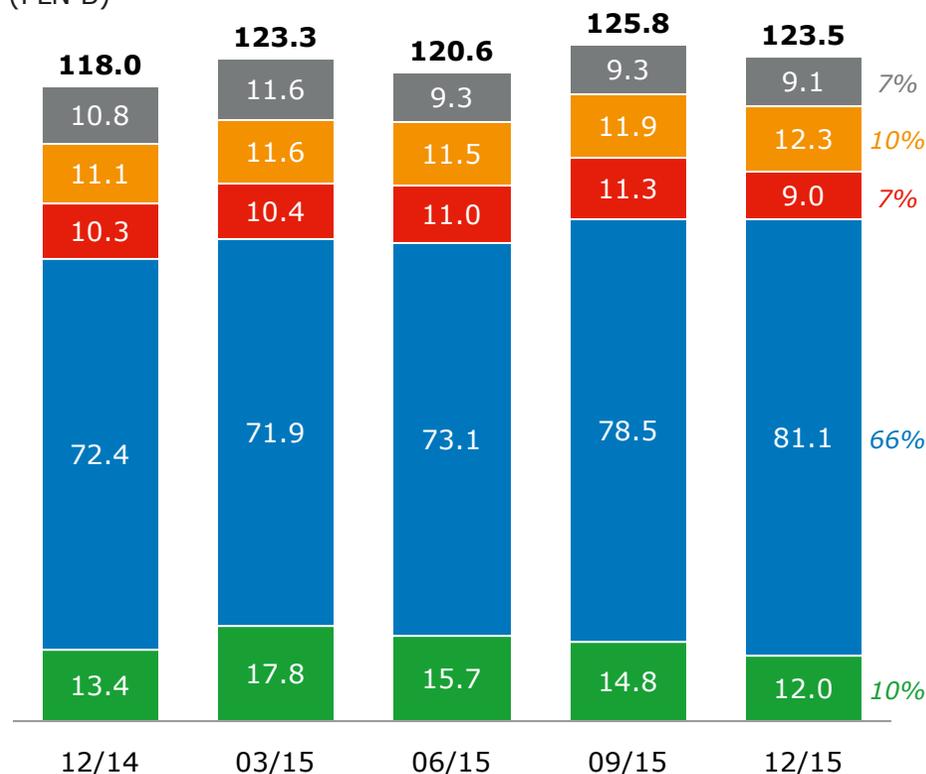
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Additional Information: Selected Financial Data Balance Sheet Analysis: Assets & Liabilities

Structure of Assets
(PLN B)



Structure of Liabilities and Equity
(PLN B)



- Amounts due from banks
- Loans and advances to customers
- Trading securities
- Derivative financial instruments
- Investment securities
- Other

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

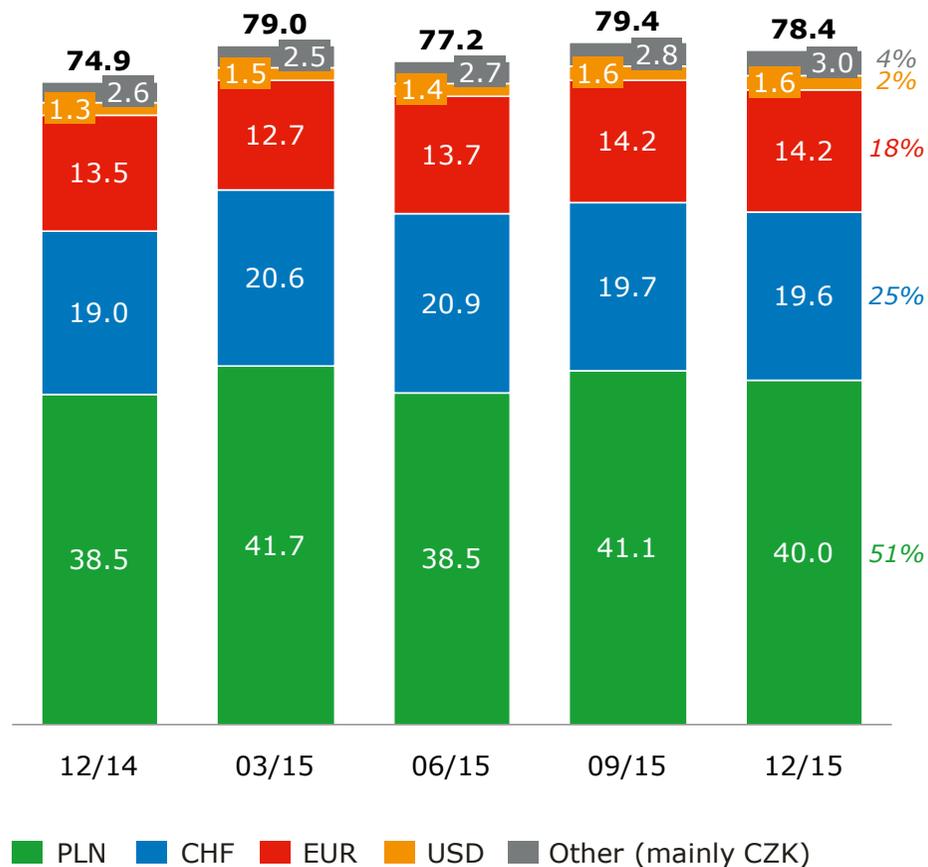
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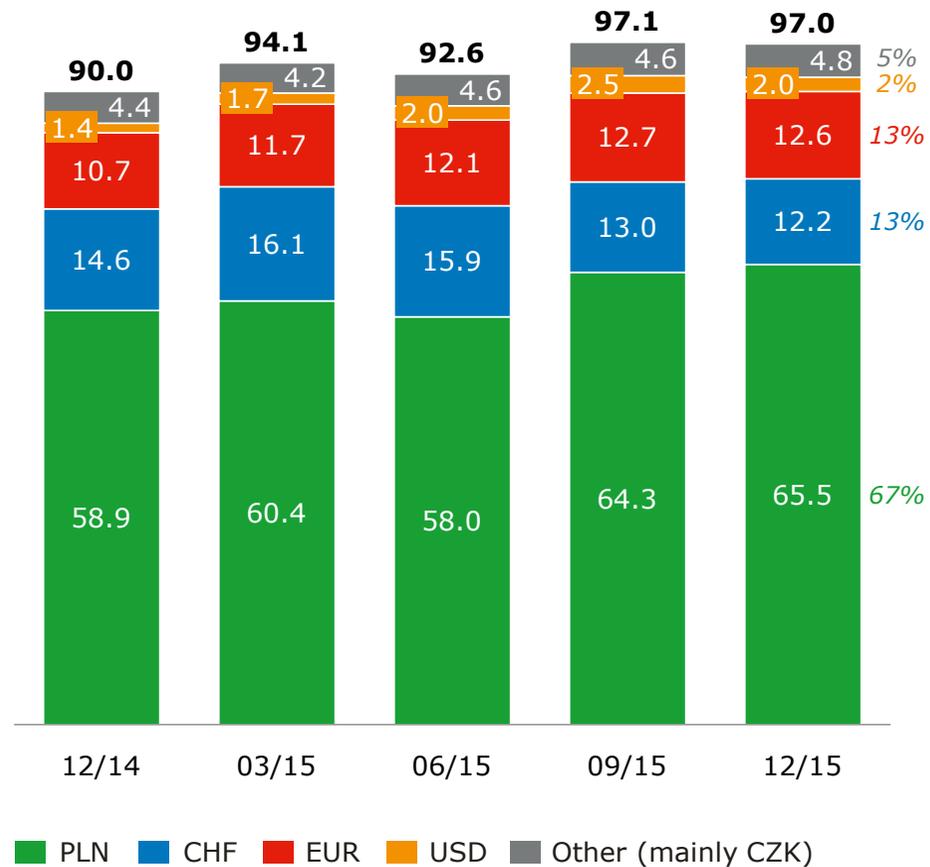
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Additional Information: Selected Financial Data Balance Sheet Analysis: Currency Structure

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



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



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

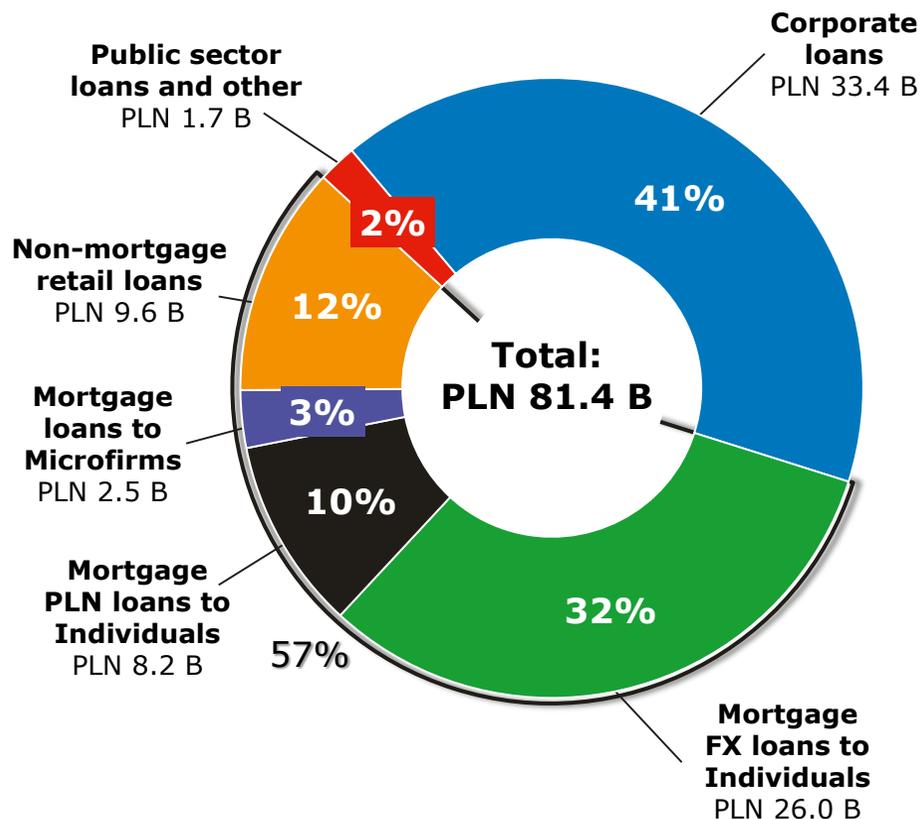
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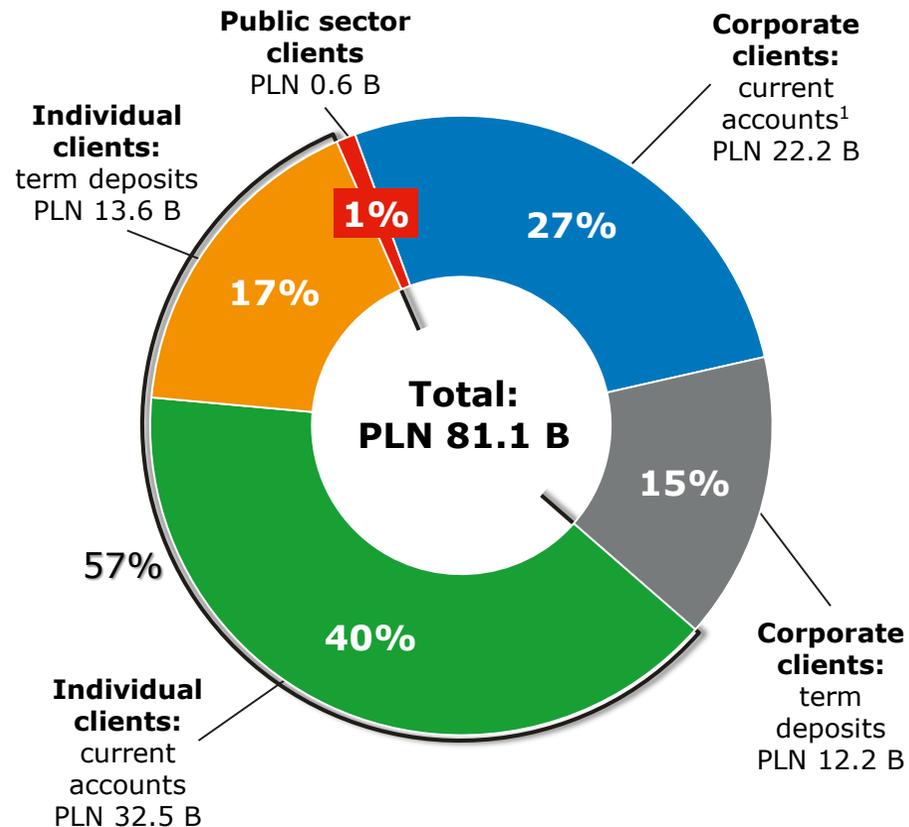
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Additional Information: Selected Financial Data Balance Sheet Analysis: Structure of Loans and Deposits

Structure of mBank Group's Gross Loans as of 31.12.2015



Structure of mBank Group's Deposits as of 31.12.2015

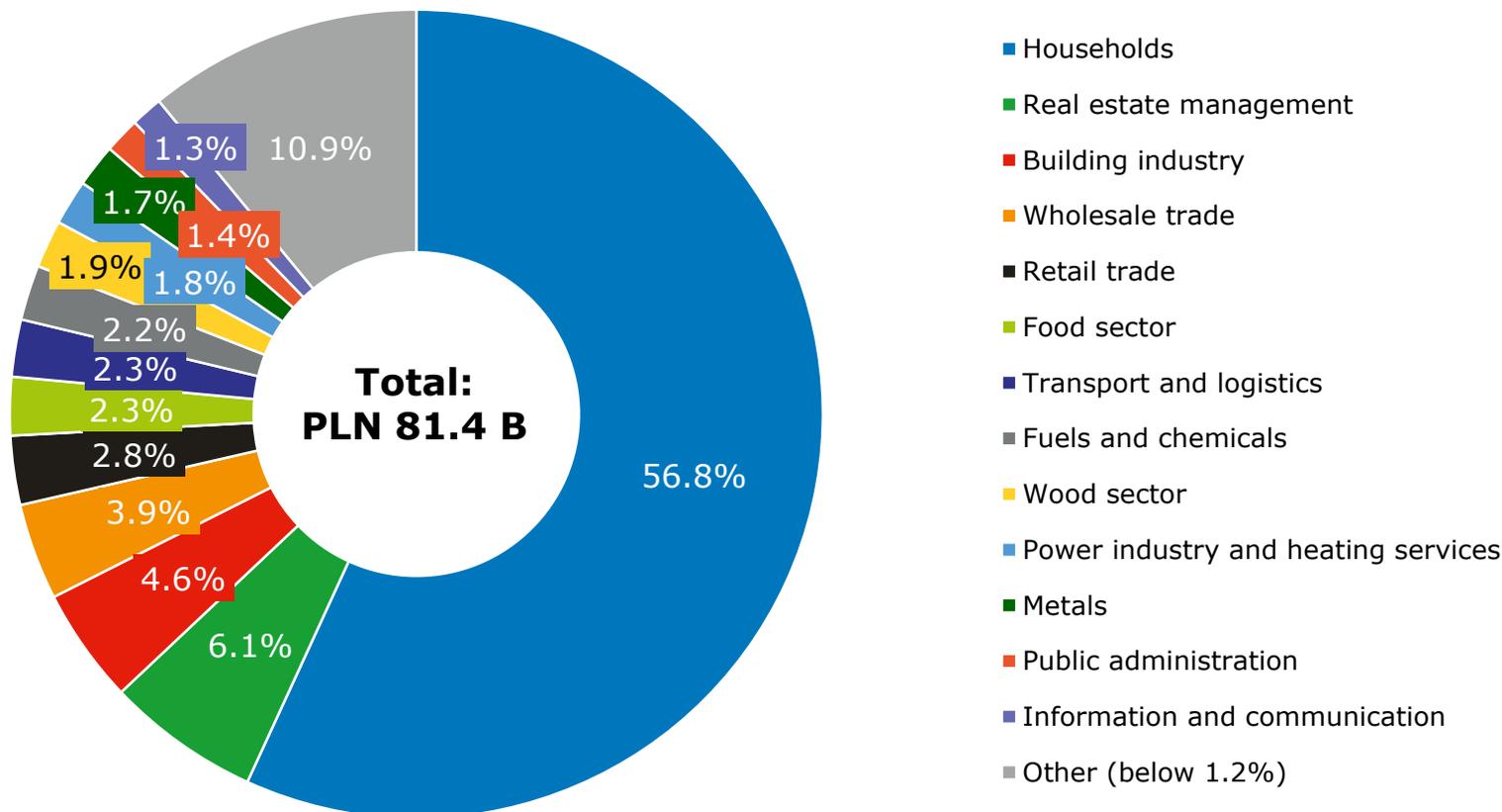


¹ incl. repo transactions, loans and advances received, other liabilities

Appendix

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

mBank Group's Sector Exposure by Industry
as of 31.12.2015



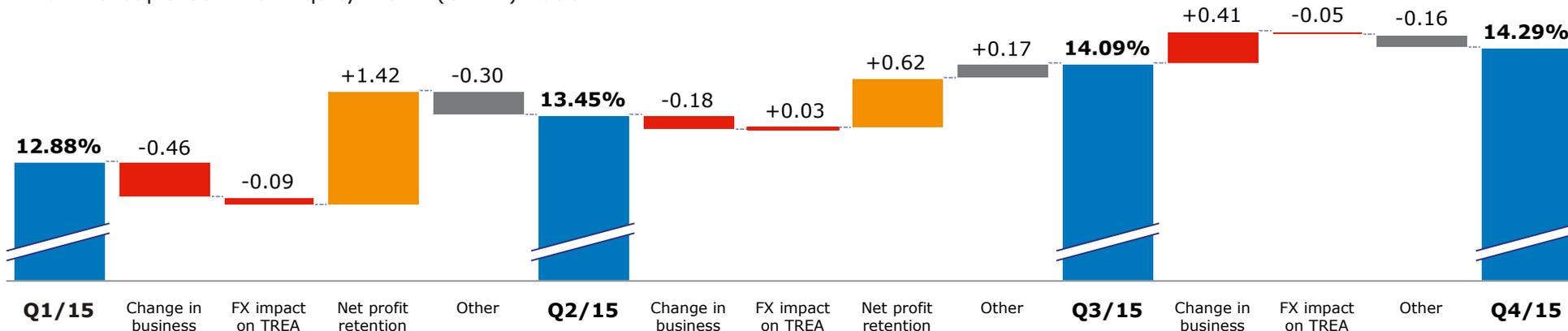
A well diversified loan portfolio with granular structure

Appendix

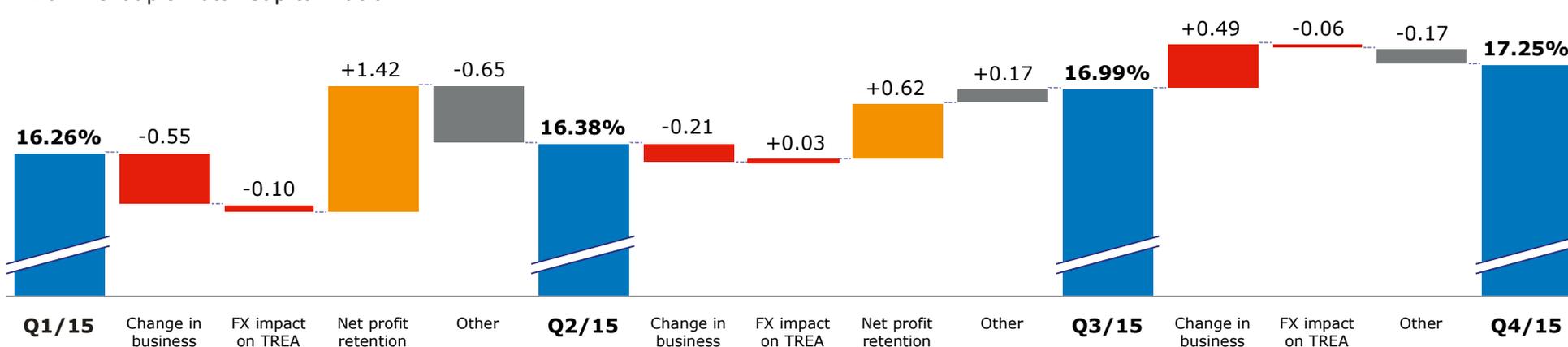
Additional Information: Selected Financial Data Balance Sheet Analysis: Detailed Development of Capital Ratios

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

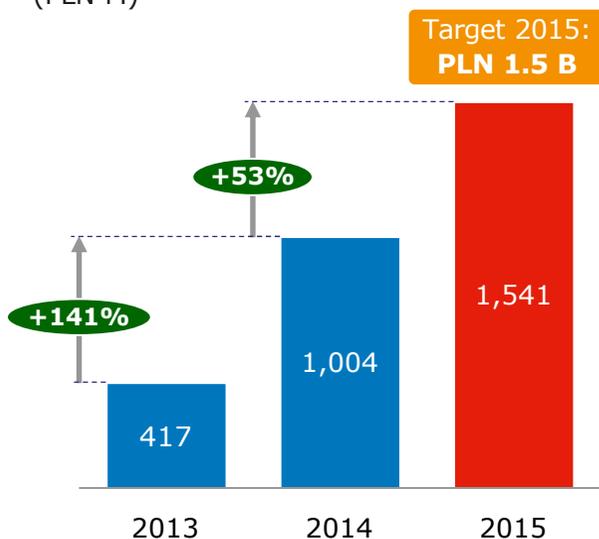


mBank Group's Total Capital Ratio



Issuance Activity on the Covered Bonds Market Residential mortgage loans are rising in cover pool

Covered Bonds Issuance
(PLN M)



- mBank Hipoteczny issued more than planned PLN 1.5 billion of covered bonds in 2015 and its target for 2016 amounts to PLN 1.75 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
500.0 M	PLN	17-09-2015	10-09-2020	5.0	WIBOR 3M + 110bps
255.0 M	PLN	02-12-2015	20-09-2021	5.8	WIBOR 3M + 115bps

Detailed Results of the Business Lines in Q4/15

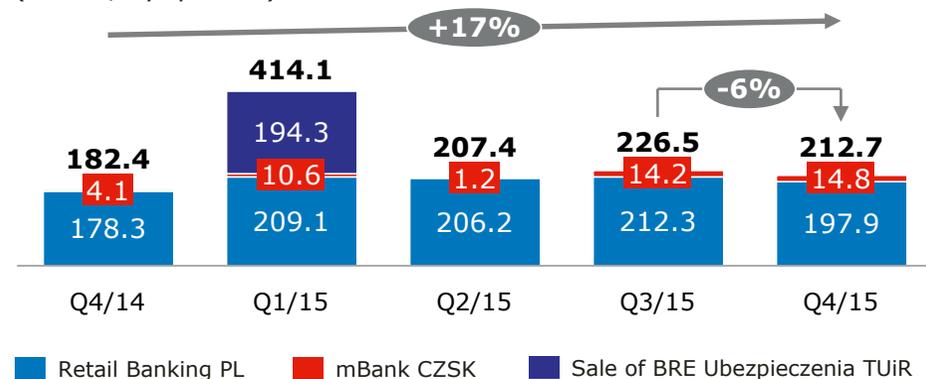
Retail Banking

Appendix

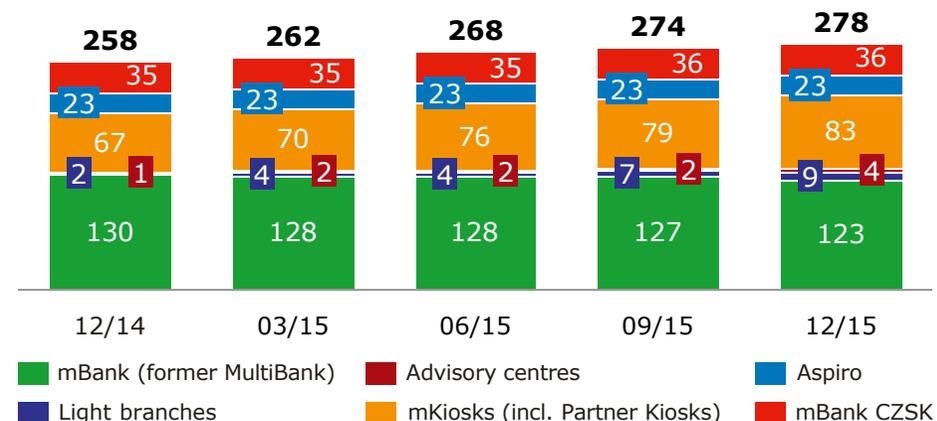
Retail Banking Summary of Q4/15: Financial Results

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

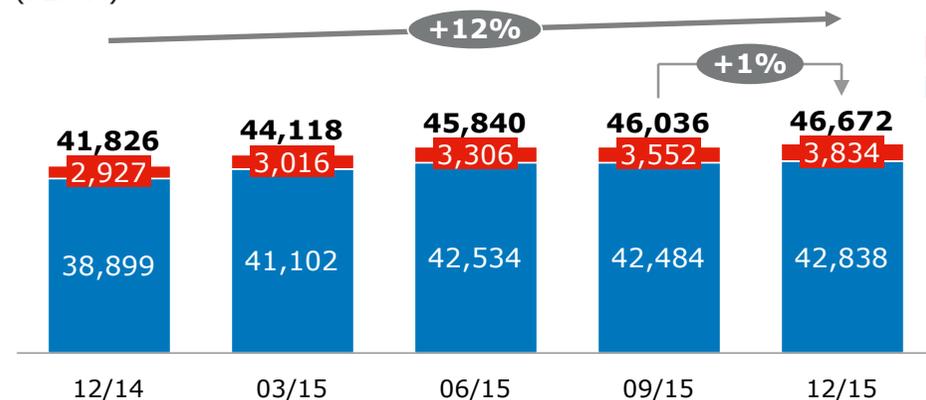
Profit before Tax of the Segment
(PLN M, by quarter)



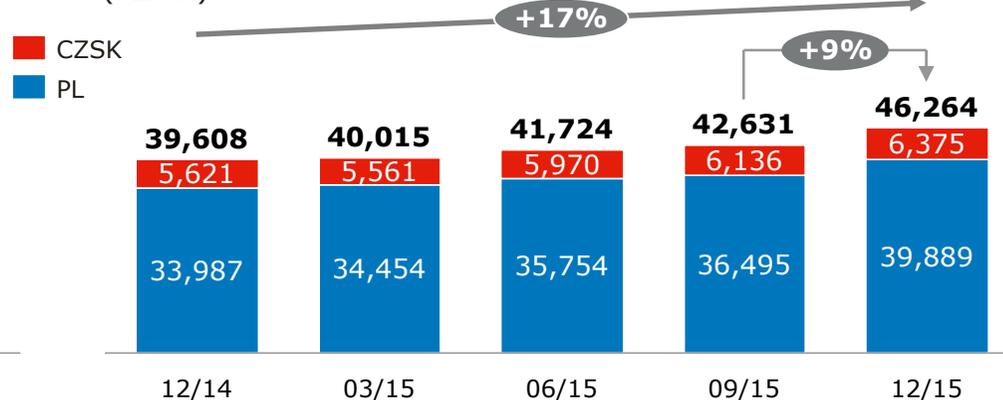
Number of Retail Service Locations



Total Retail Gross Loans¹
(PLN M)



Total Retail Deposits¹
(PLN M)



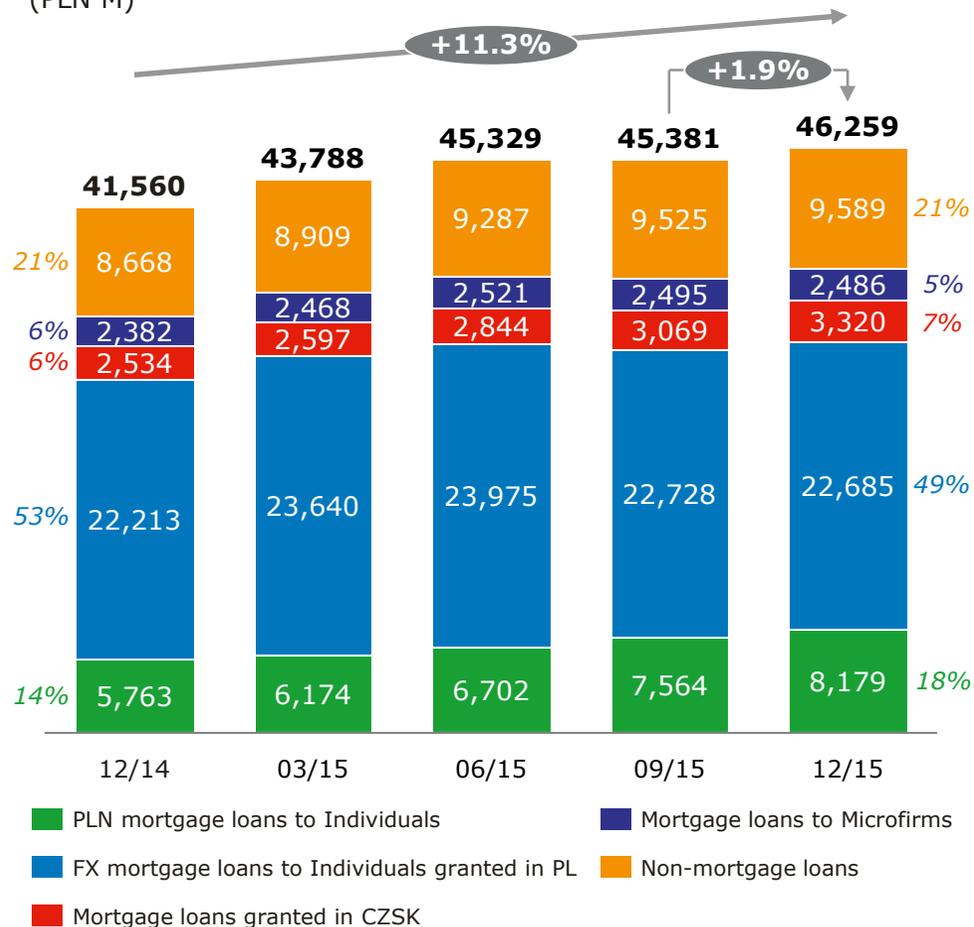
¹ Based on management information

Appendix

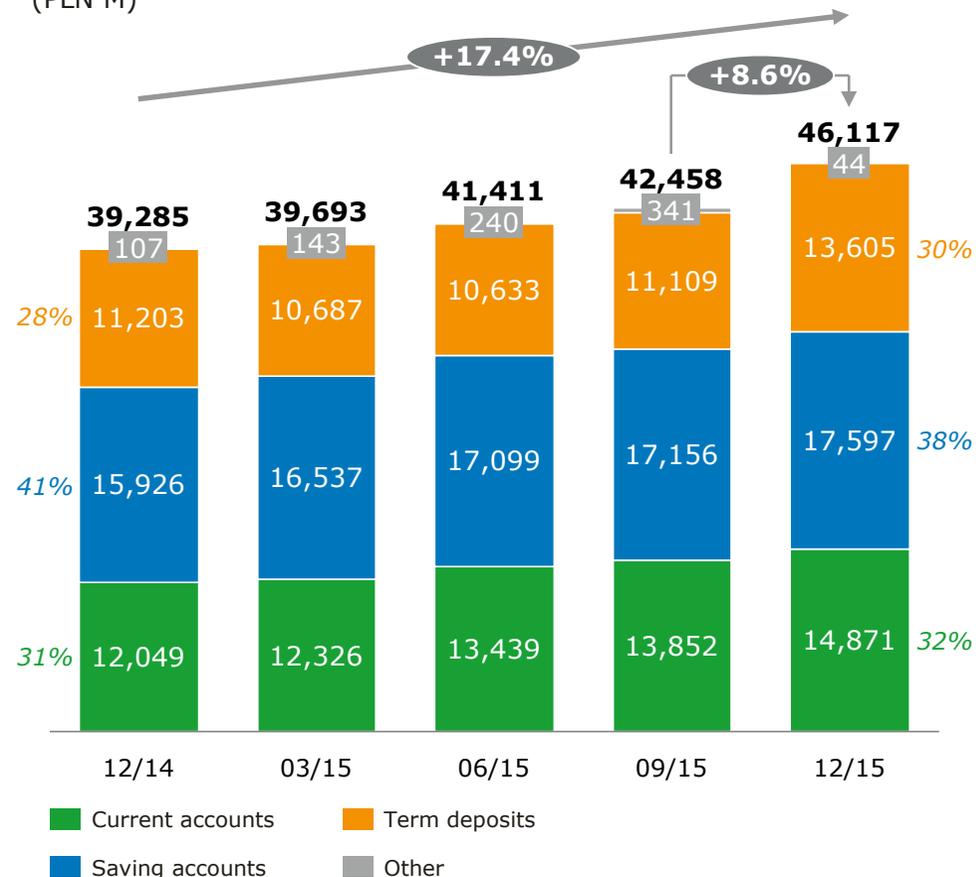
Retail Banking Summary of Q4/15: Loans and Deposits

Summary
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Subsidiaries

Gross Loans to Retail Banking Clients¹
(PLN M)



Deposits from Retail Banking Clients
(PLN M)



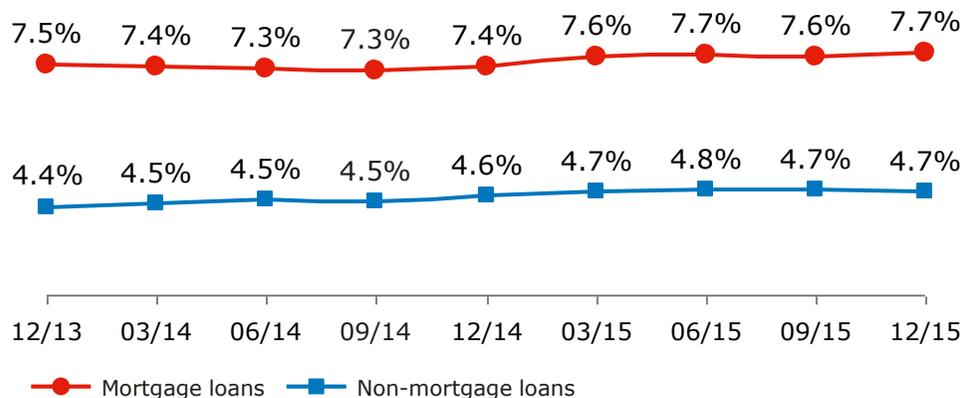
¹ Currency and geographical breakdown based on management information

Appendix

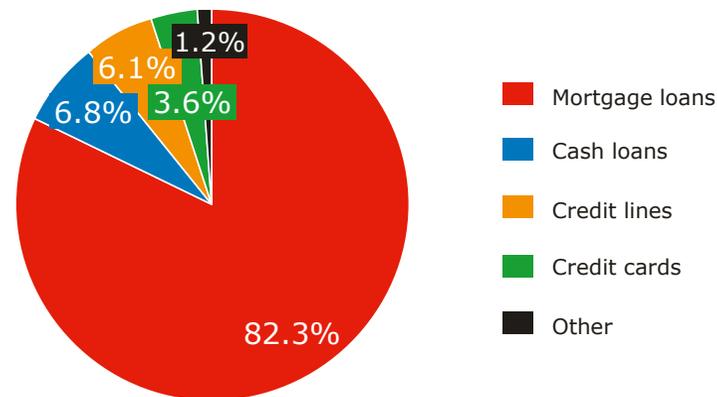
Retail Banking Loan Portfolio Structure of mBank Group in Poland

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

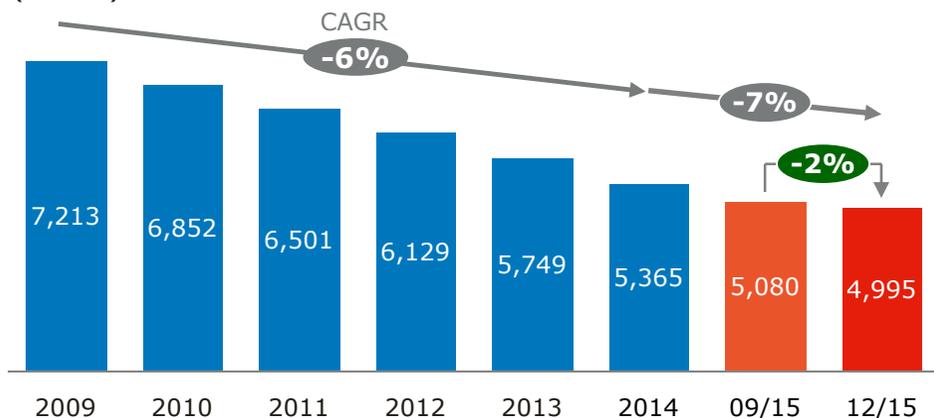
Market Shares in Household Loans in Poland



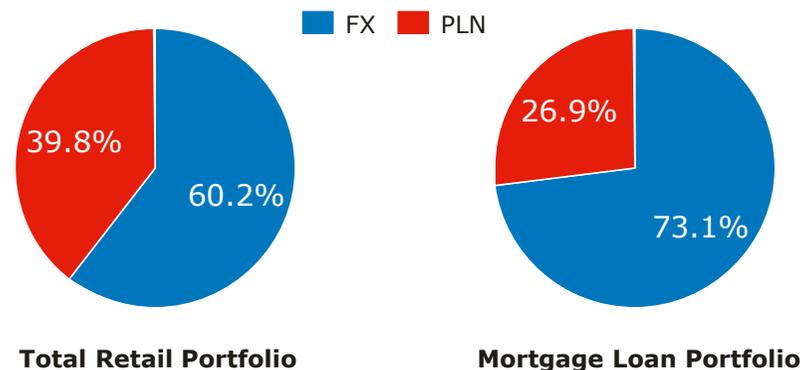
Product Structure of Retail Banking Loan Portfolio in Poland as of 31.12.2015



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



Currency Structure of Retail Banking Loan Portfolio in Poland as of 31.12.2015

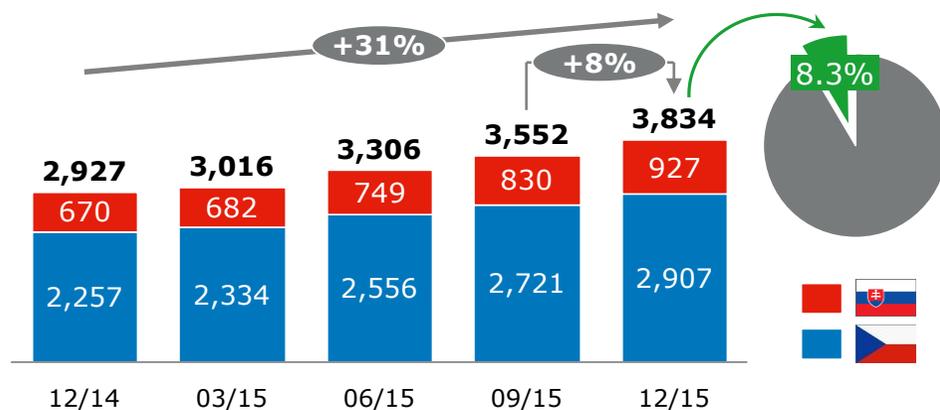


Appendix

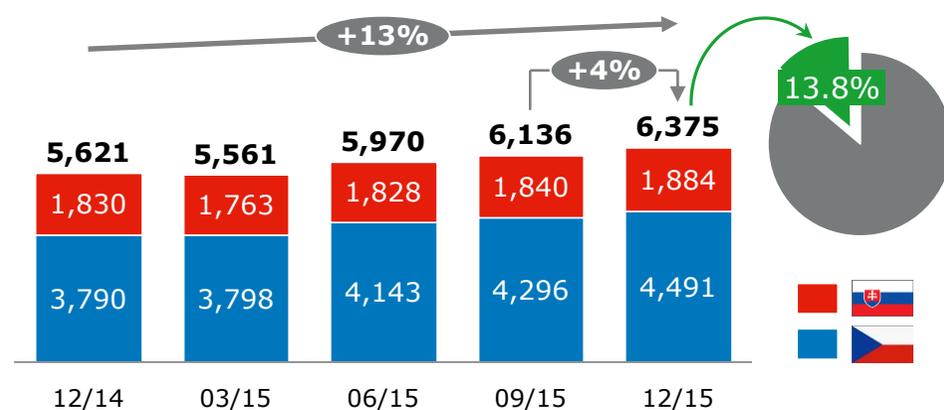
Retail Banking mBank in the Czech Republic and Slovakia

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

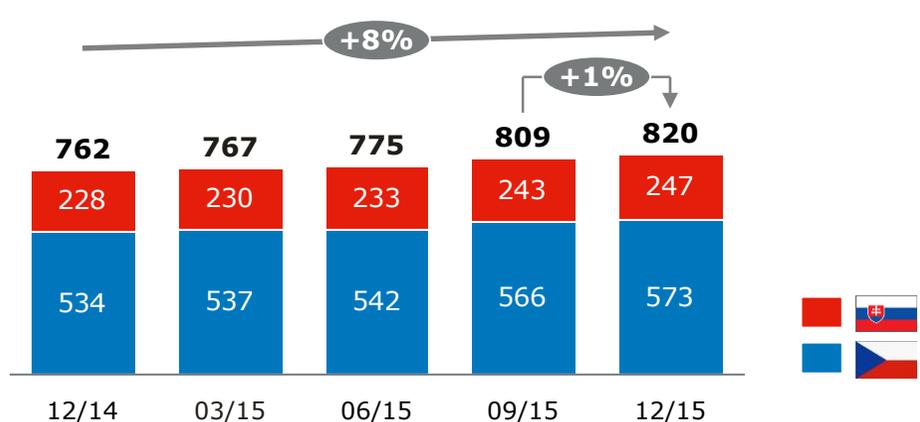
Gross Loans (PLN M) and Share in Total mBank's retail volume



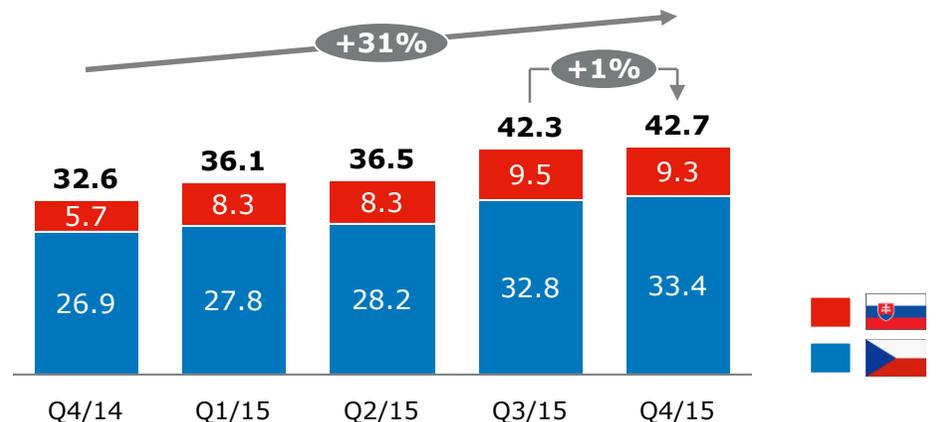
Deposits (PLN M) and Share in Total mBank's retail volume



Number of clients (thou.)



Total revenues (PLN M)



Note: Volumes based on management information.

Appendix

Retail Banking mBank in the Czech Republic and Slovakia

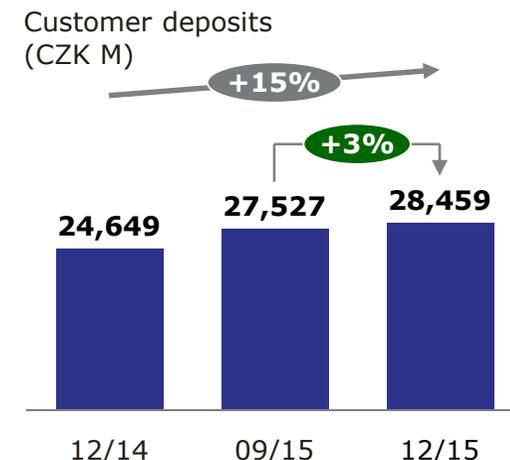
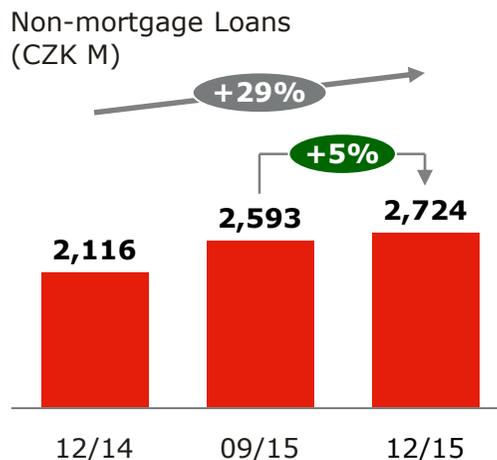
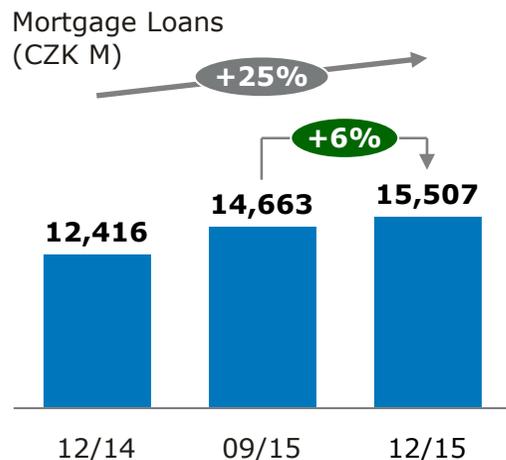
Summary
Historical view
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Subsidiaries



Czech Republic

Clients:
573.1 thou.

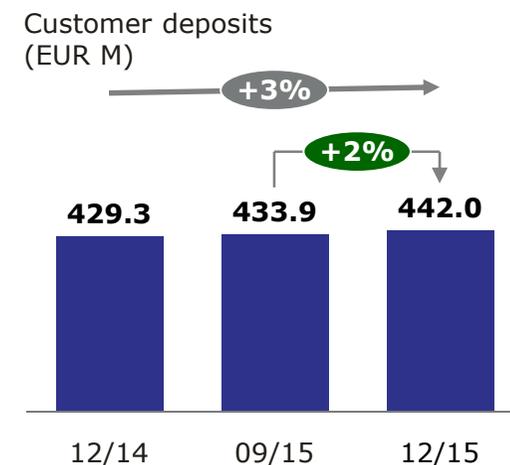
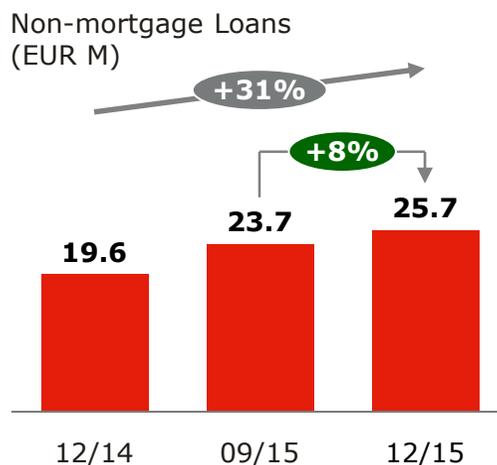
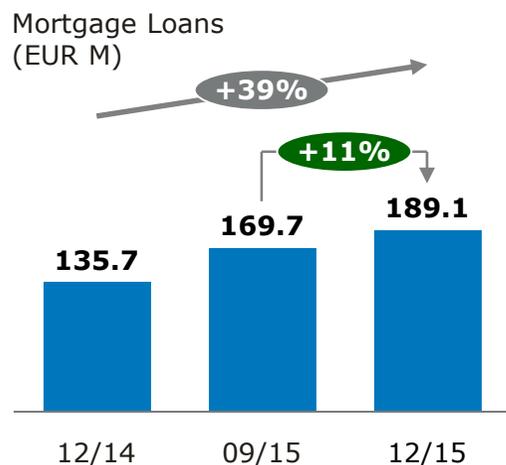
9 financial centres &
17 mKiosks



Slovakia

Clients:
246.5 thou.

1 light branch,
4 financial centres &
5 mKiosks



Note: Volumes based on management information.

Detailed Results of the Business Lines in Q4/15

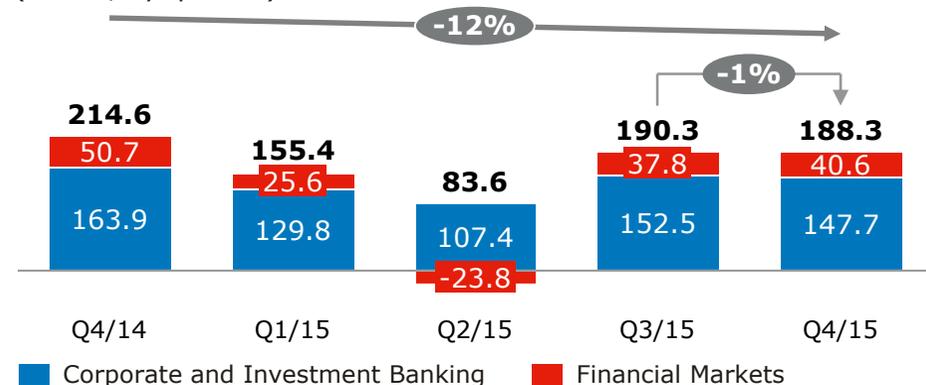
Corporates & Financial Markets

Appendix

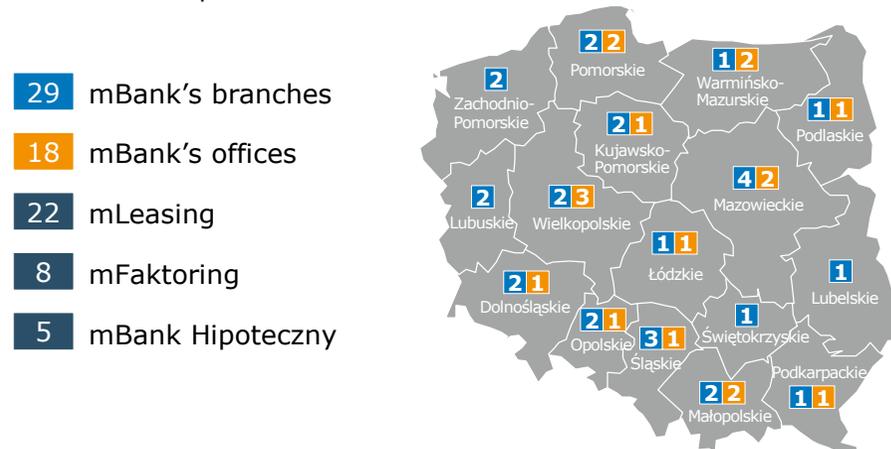
Corporates and Financial Markets Summary of Q4/15: Financial Results

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

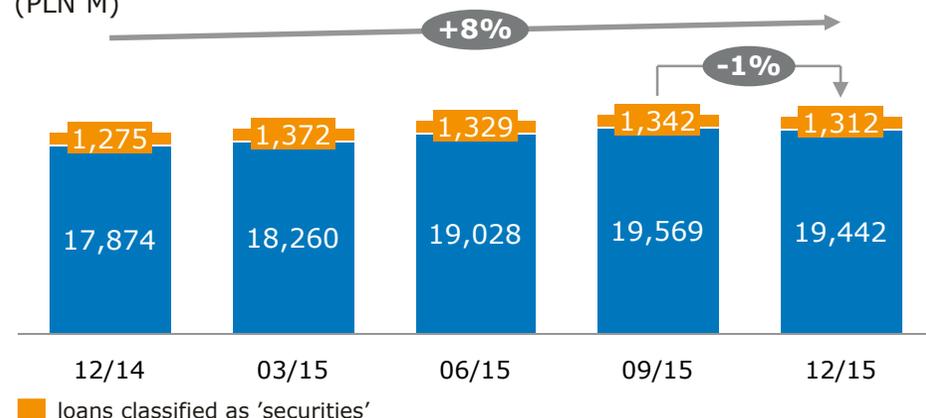
Profit before Tax of the Segment
(PLN M, by quarter)



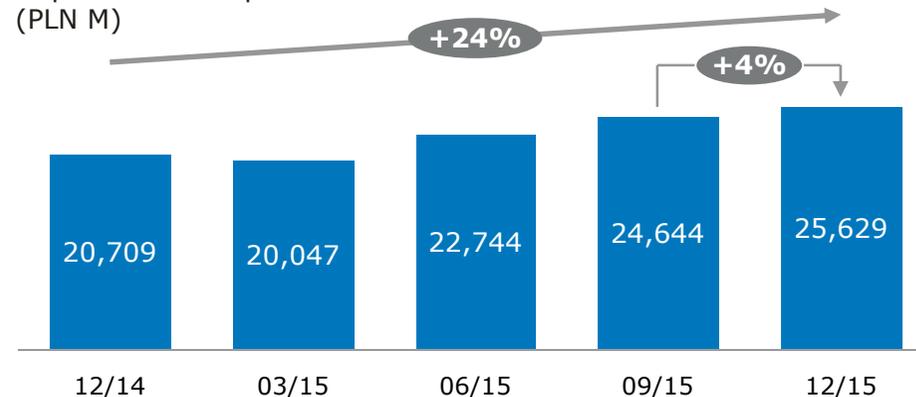
Number of Corporate Service Locations



Loans to enterprises¹
(PLN M)



Deposits of enterprises¹
(PLN M)



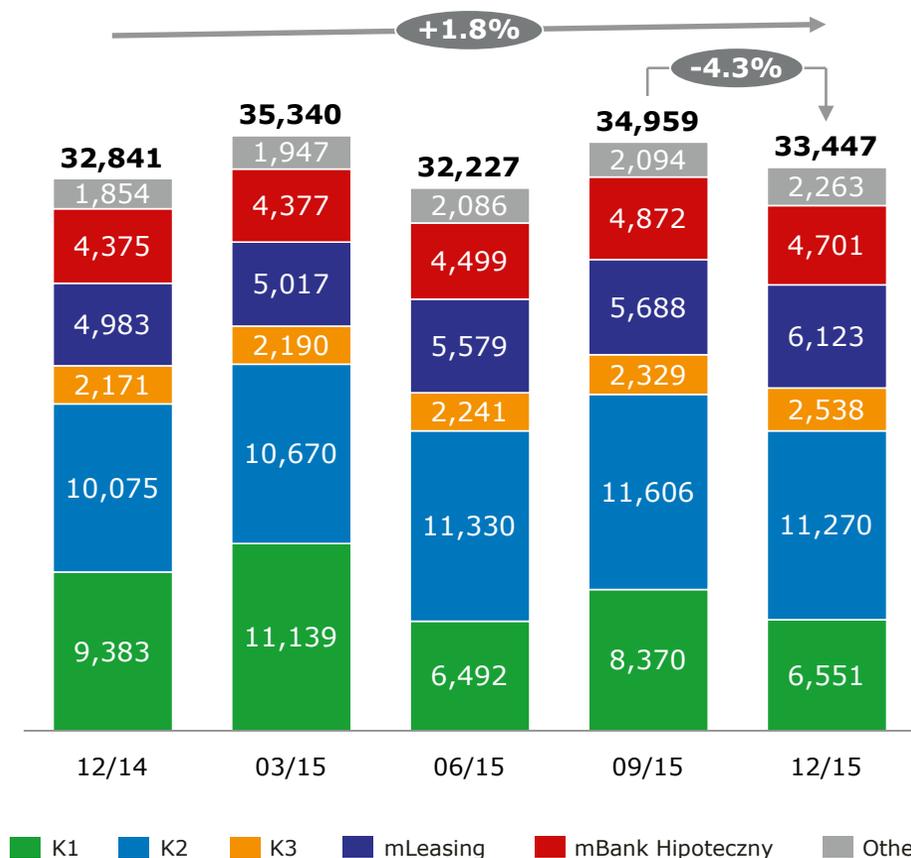
¹ Corporate loan and deposit volumes according to current NBP rules

Appendix

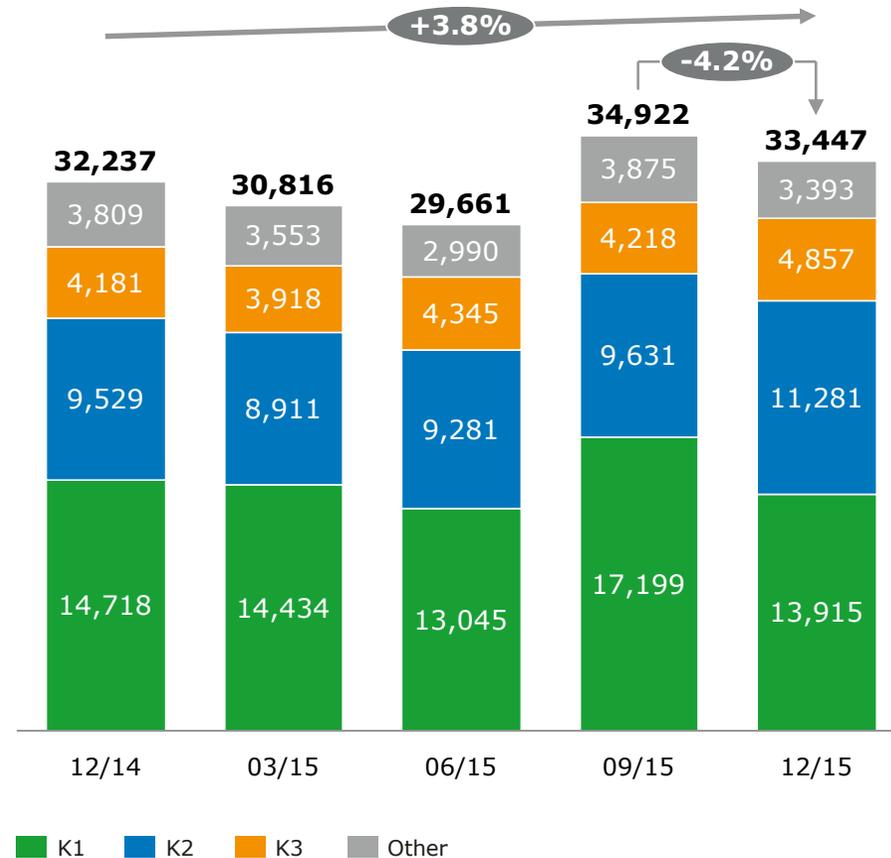
Corporates and Financial Markets Summary of Q4/15: Loans and Deposits

Summary
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Gross Loans to Corporate Entities
(PLN M)



Deposits from Corporate Customers
(PLN M)



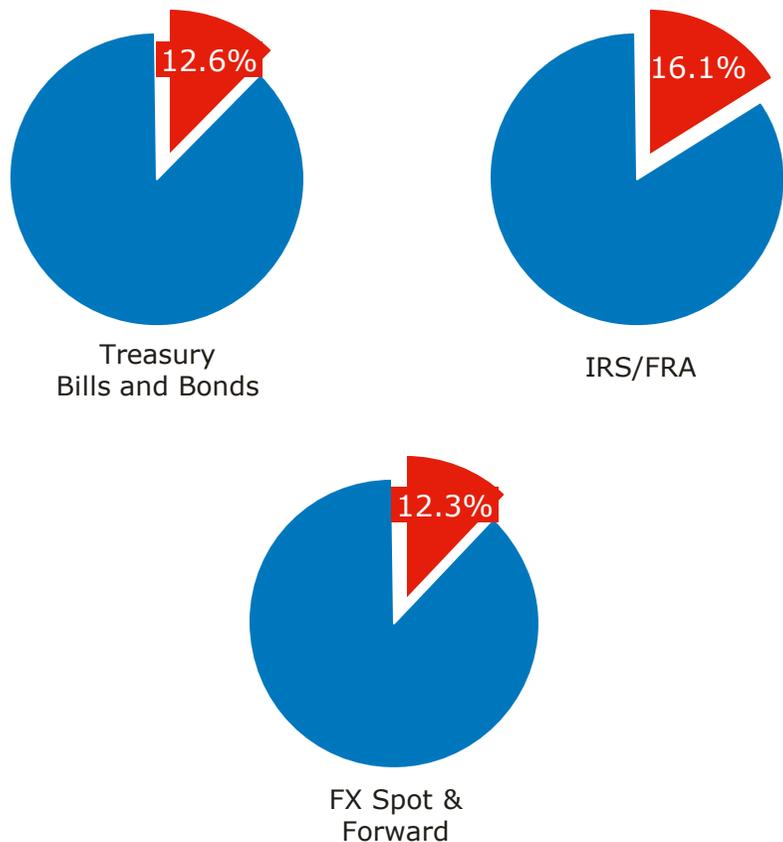
Note: Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3 – annual sales below 30 M.

Appendix

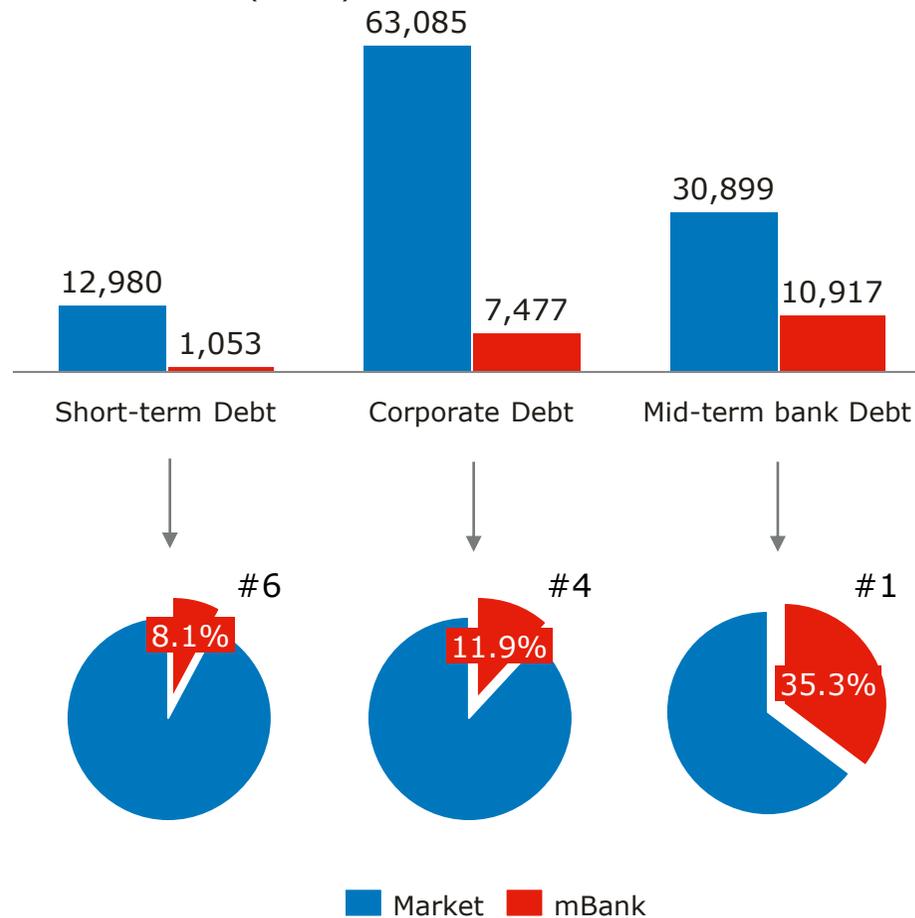
Corporates and Financial Markets Market Shares

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

mBank's Market Shares in Investment Banking Services¹



mBank in the Market for Non-Treasury Debt²
as of 30.11.2015 (PLN M)



¹ As of 30.11.2015; mBank calculations based on NBP data

² Based on Fitch Polska S.A., Rating & Rynek, 30.11.2015 (excluding BGK road bonds)

Detailed Results of the mBank Group's companies in Q4/15

Subsidiaries

Appendix

mBank Group's Subsidiaries

Development of Profit before Tax of Consolidated Companies

PLN thou.	Q4/14	Q4/15	Change YoY	2014	2015	Change YoY
mBank Hipoteczny	4,831	9,416	+94.9%	29,475	26,797	-9.1%
mLeasing	9,021	11,930	+32.2%	45,926	57,221	+24.6%
mFaktoring	5,910	-5,219	+/-	20,031	-22,242	+/-
Dom Maklerski mBanku	5,518	5,772	+4.6%	19,534	28,248	+44.6%
mWealth Management	4,662	7,380	+58.3%	18,472	27,367	+48.2%
Aspiro ¹	6,855	55,500	+710%	16,364	170,068	+939%
mLocum	-488	-742	+65.6%	16,711	17,900	+7.1%
BRE Ubezpieczenia ²	9,102	-	-100.0%	53,498	7,069	-86.8%
Other ³	-27,222	-3,819	-86.0%	-32,877	-7,025	-78.6%
Total	18,228	80,218	+340%	187,134	305,404	+63.2%

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

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

³ Other subsidiaries include mFinance France, MLV-45, mCentrum Operacji, BDH Development, Garbary and Transfinance in 2014; Tele-Tech Investment has been consolidated since Q3/15

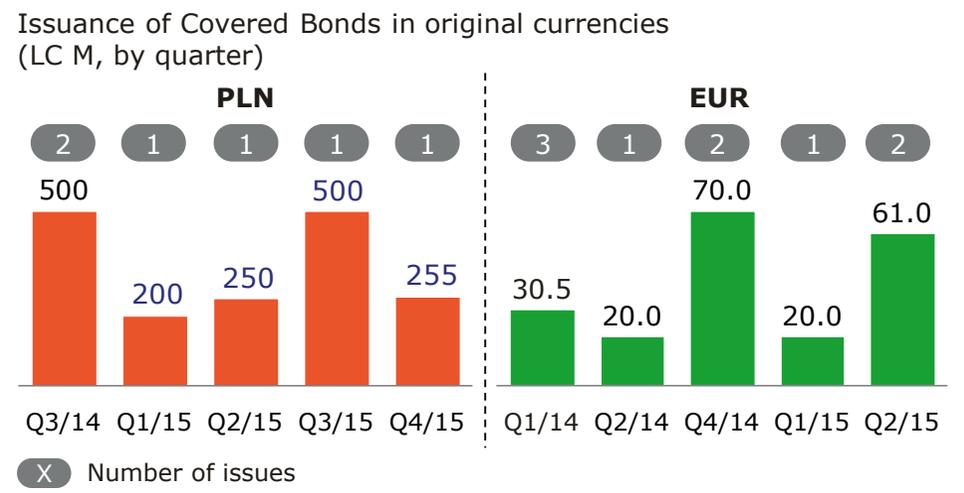
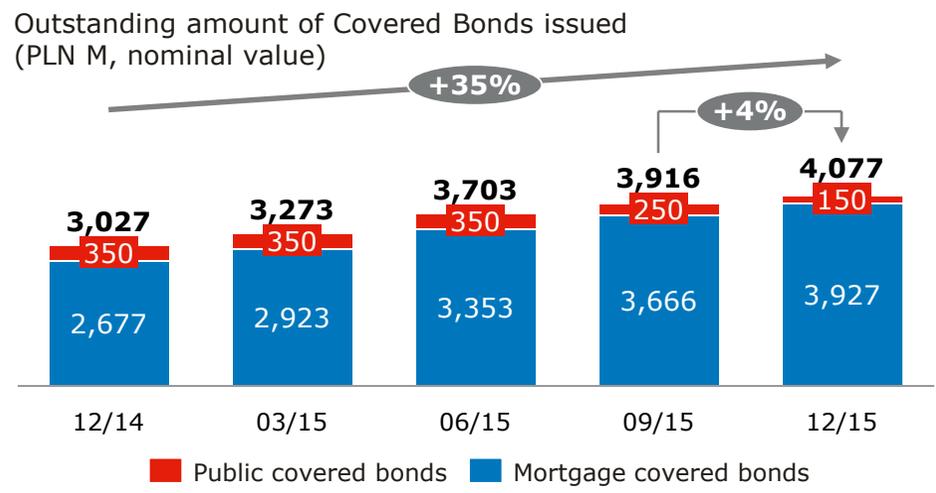
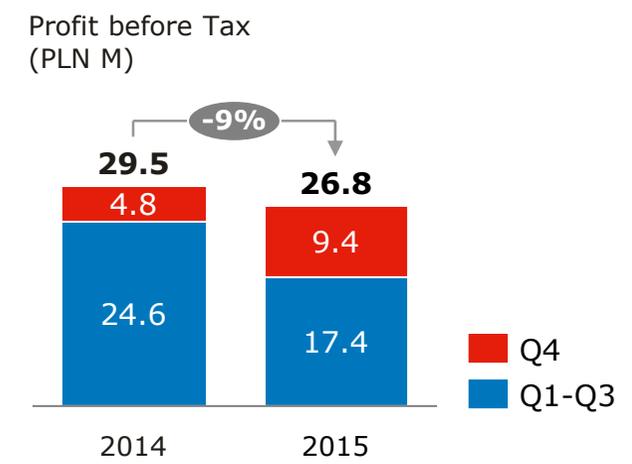
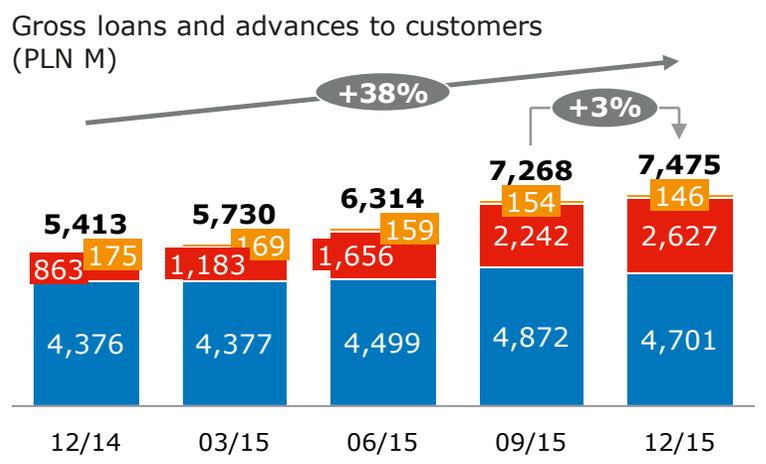
Appendix

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

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



Appendix

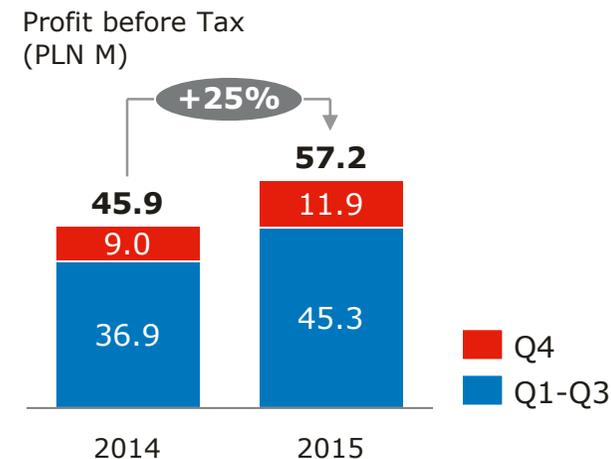
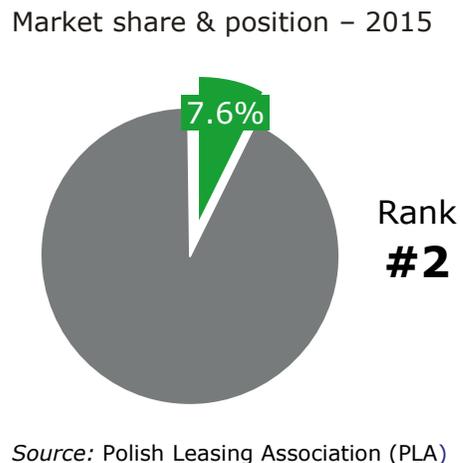
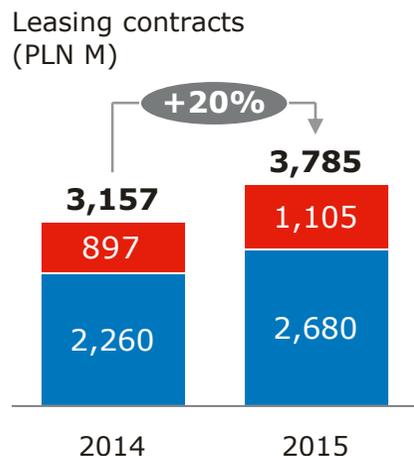
mBank Group's Subsidiaries Leasing and Factoring

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

m Leasing

established in 1991

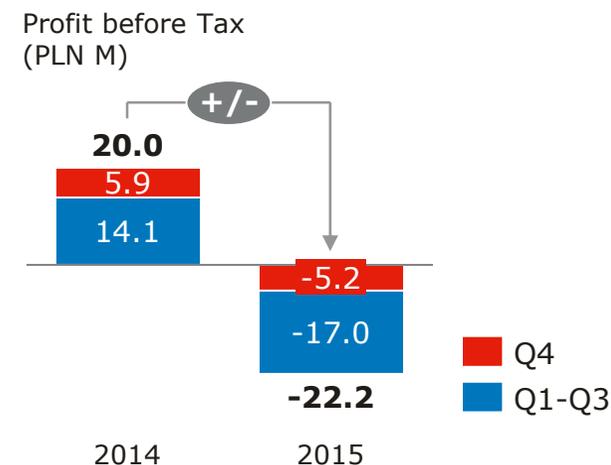
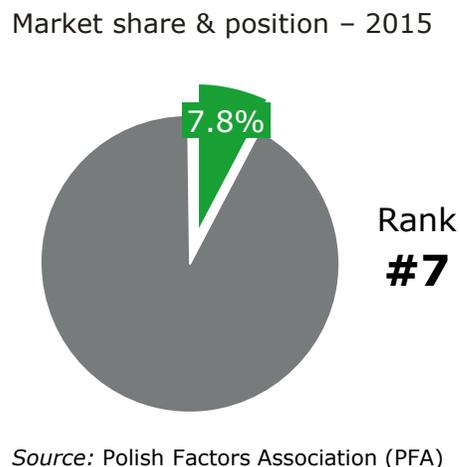
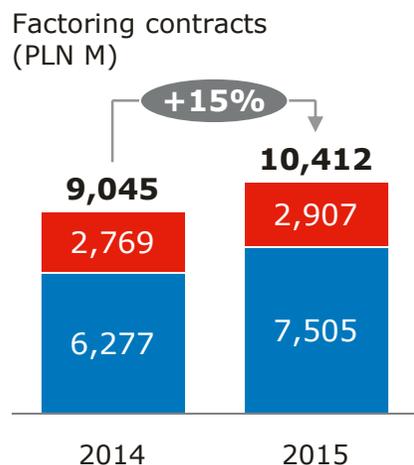
provides financial and operating leasing of cars, trucks, machinery and real estate



m Faktoring

established in 1995

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



Appendix

mBank Group's Subsidiaries Dom Maklerski mBanku (mDM)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries



established in 1991

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

Number of Accounts in Q4/15 (thou.)

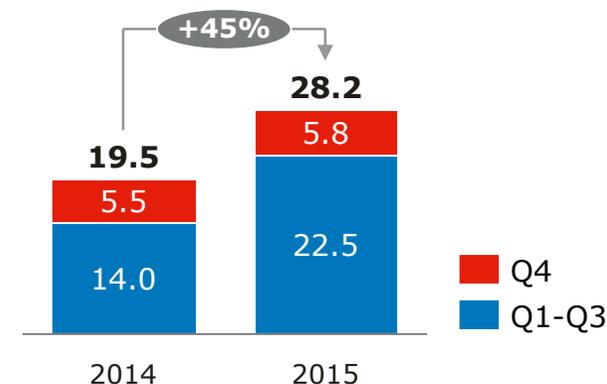
mDM accounts	47.1
Brokerage Service in mBank	246.9
TOTAL	294.0

Market Shares in Q4/15, by volume

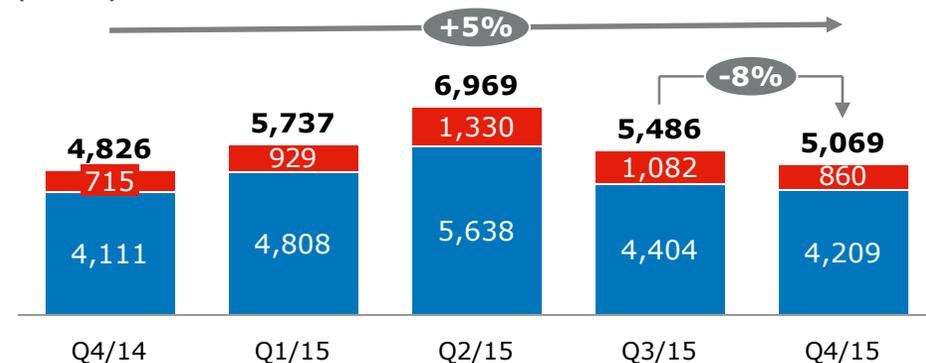
	incl. block transactions		Session transactions	
Equities	4.63%	#8	4.74%	#8
Bonds	12.32%	#2	11.66%	#2
Futures	14.28%	#2	14.56%	#2
Options	9.74%	#4	19.91%	#2

Source: mBank calculations based on WSE data

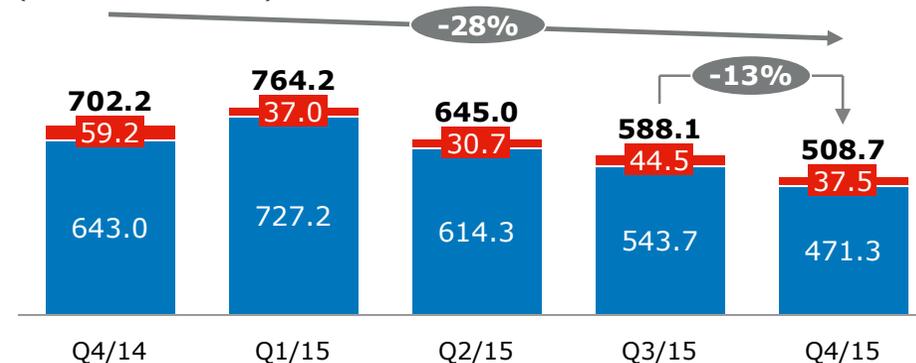
Profit before Tax (PLN M)



mDM Equities Trading WSE (PLN M)



mDM Futures Trading WSE (thou. of contracts)



Trading via mBank's brokerage services Direct trading via mDM

mBank's share price performance in 2015

Negative sentiment towards banking stocks due to increasing regulatory burdens

mBank's index membership and weights*

WIG-30	WIG ₃₀	2.378%
WIG-20	WIG ₂₀	2.586%
WIG	WIG	1.678%
WIG-Banks	WIG _{banki}	6.082%
WIG-Poland	WIG _{Poland}	1.723%

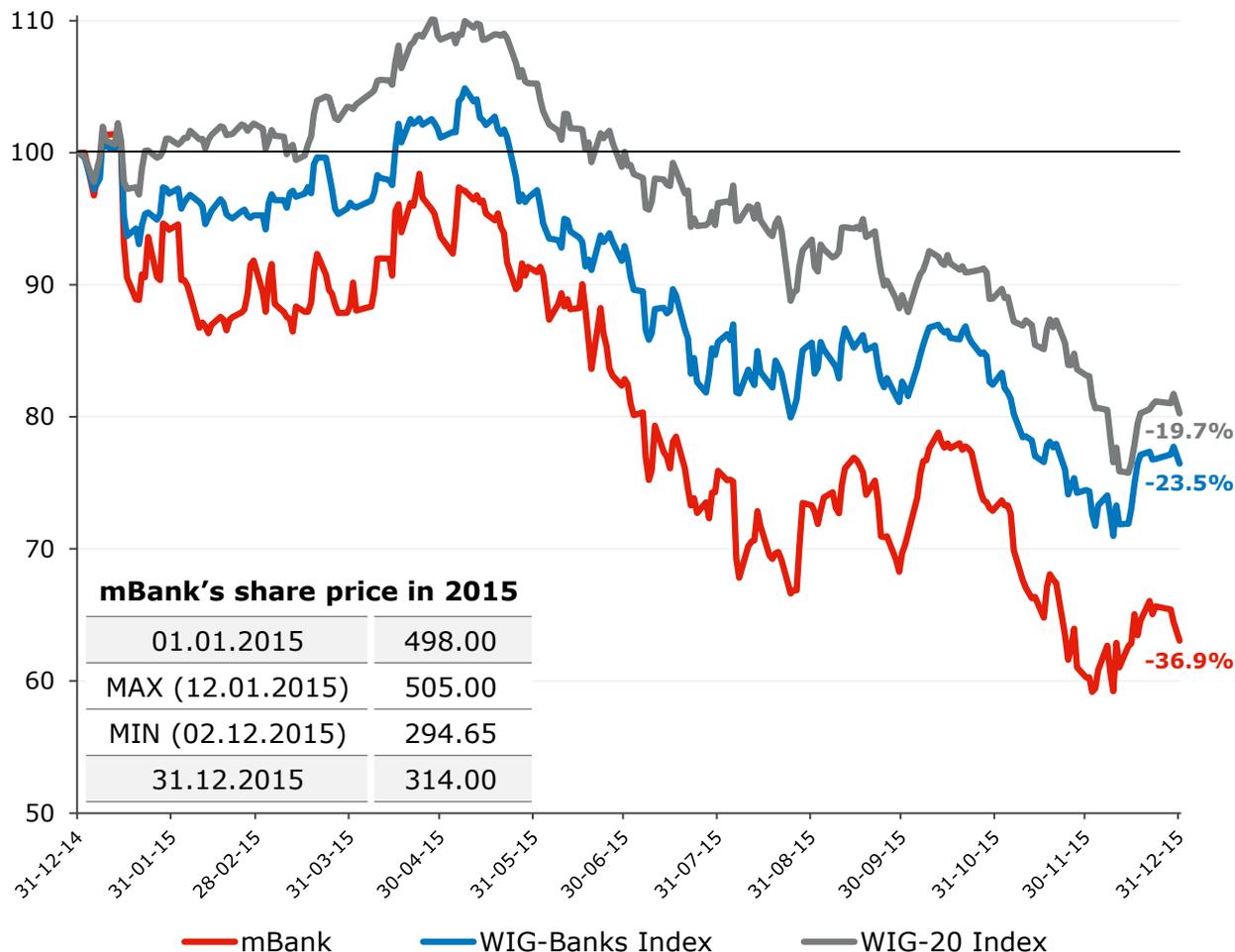
* Share in index as of February 1, 2016

- Listed on the Warsaw Stock Exchange since October 1992
- The only share belonging to WIG-20 blue chip index since its inception in April 1994
- A strategic shareholder, Germany's Commerzbank, owns 69.5% of shares

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 238 924

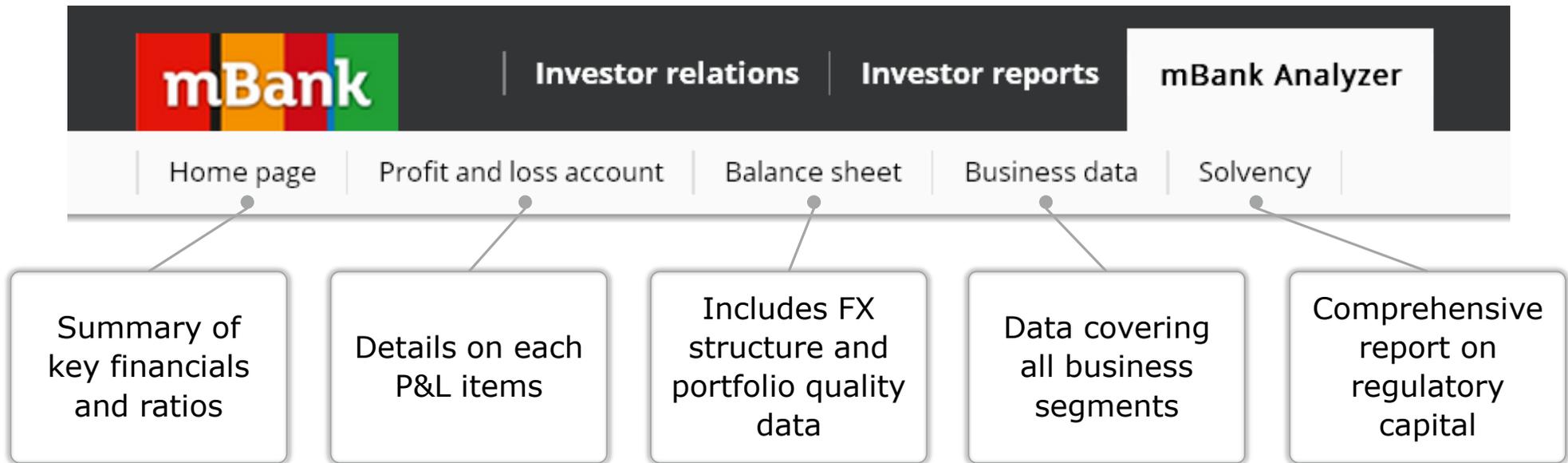
Source: Bloomberg, WSE.

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



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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