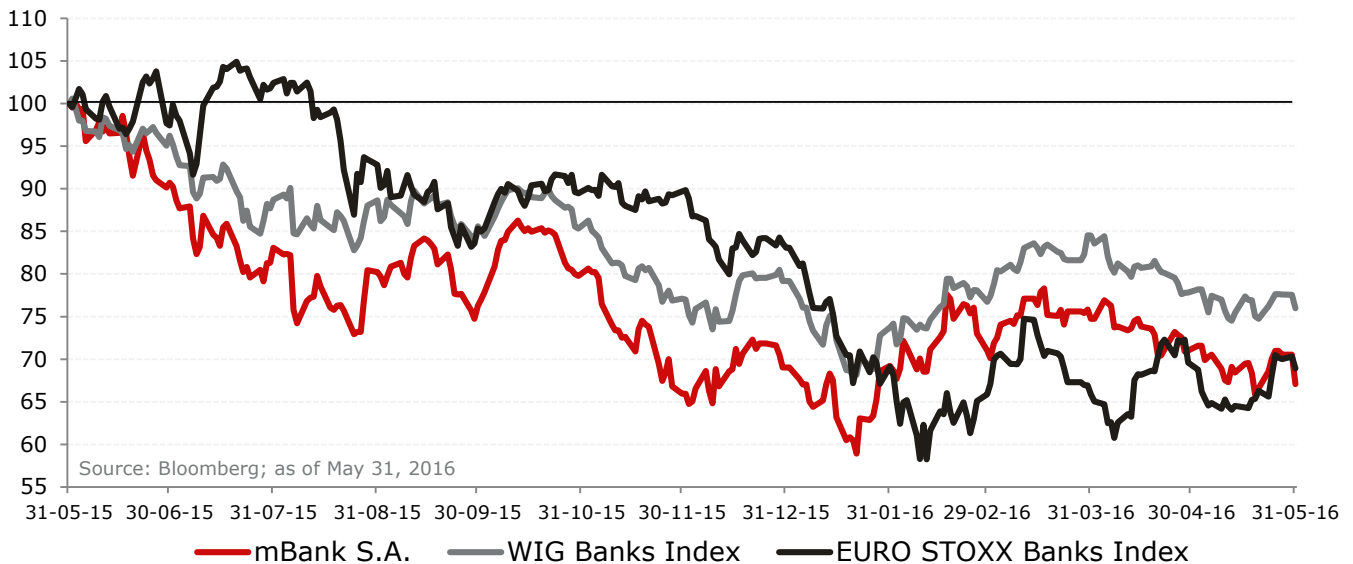


Share price performance summary

In May mBank's share price declined by 5.55%, while the WIG-Banks index went down by 2.40%. The EURO STOXX Banks Index decreased by 0.98% in the same period.

Last 12 months – chart



change in the period	2Q'15	3Q'15	4Q'15	2015	1Q'16	2016YtD
mBank	-6.29%	-15.91%	-9.51%	-36.95%	+8.28%	-2.79%
WIG Banks Index	-3.42%	-11.04%	-7.51%	-23.54%	+6.77%	-4.04%
EURO STOXX Banks Index	-4.91%	-12.39%	-2.64%	-4.94%	-20.72%	-17.07%

Consensus estimates for mBank Group's results

P&L item (in PLN M)	2014	2015	2016E		2017E	
			estimate	Δ vs. 2015A	estimate	Δ vs. 2016E
Net interest income	2 491	2 511	2 735	+8.9%	2 927	+7.0%
Net F&C income	902	897	932	+3.9%	993	+6.5%
Total income	3 939	4 093	4 247	+3.7%	4 359	+2.6%
Costs	-1 771	-2 054	-1 938	-5.7%	-1 981	+2.2%
LLPs	-516	-421	-448	+6.4%	-504	+12.4%
Profit before tax	1 653	1 618	1 861	+15.0%	1 874	+0.7%
Net profit	1 287	1 301	1 135	-12.7%	1 131	-0.4%
Loans	74 582	78 434	82 753	+5.5%	86 784	+4.9%
Assets	117 986	123 523	128 393	+3.9%	132 885	+3.5%
Deposits	72 422	81 141	85 354	+5.2%	89 958	+5.4%

Contributing research by: Citi Research, Deutsche Bank, Millennium DM, ING Securities, BZ WBK Brokerage, Ipopema, Raiffeisen, Wood & Company, PKO Securities, Erste Group, Haitong Bank, Goldman Sachs, BOŚ DM, BoA Merrill Lynch, J.P. Morgan, Pekao IB, Trigon DM, Vestor DM.

Note: 2015 costs of mBank Group included an additional contribution to the Bank Guarantee Fund (PLN 141.7 million) to cover the cost of payments to deposit holders of bankrupt Cooperative Bank in Wołomin and a contribution to the support fund for distressed mortgage borrowers (PLN 52.1 million).

Special topic: Dom Maklerski mBanku and mWealth Management integrated into the organisational structure of mBank

On May 20th, 2016, the mBank's subsidiaries Dom Maklerski mBanku (mDM) and mWealth Management (mWM), providing specialized brokerage services, private banking and asset management, were integrated into the organizational structure of the bank.

The aim of integration is to create a comprehensive investment offer under one brand dedicated to the most demanding institutional and private clients as well as to combine the skills and experience of specialists of both areas to respond to customer needs. This strategic move leads to the optimization of provided services for all groups of clients and positively impacted the quality of the service.

Services currently provided by mDM and mWM are offered on the same terms by the bank's brokerage bureau, operating under the name of Dom Maklerski mBanku. Following the integration of the subsidiaries, no new documents, including the annexes, powers of attorney and orders, are required from the clients. A party to all contracts concluded with mDM and mWM automatically became mBank. Customers of both companies can still use existing transactional systems, mobile applications and websites.

Key news regarding mBank Group

mBank's analysts say the market is overestimating the MPC's determination to keep interest rates at current levels



Polish economy grew by a mere 3.0% YoY in 1Q'16 (v. consensus of 3.4% and compared to 4.3% in 4Q'15), probably driven by strong private consumption growth and a visible slowdown in investment activity. Also, smaller contribution of inventories and net exports could drag on growth. Weaker than expected expansion in 1Q'16 led mBank's economists to slash their forecasts for the year and now they see the economy to grow by 3.6%.

While the MPC is stuck in a wait-and-see mode and seems ready to ignore the prolonged deflation, a disregard of GDP figures would be far more difficult since GDP growth was seen the MPC's favourite indicator.

According to final release, inflation in April fell to -1.1% YoY from -0.9%, in line with the flash reading. Food prices rose by less than implied by seasonal pattern. Fuel prices grew slower than data from petrol stations indicated. The main cause for another fall in inflation is core inflation. Prices in recreation and culture category fell by 0.8% MoM (cable TV prices lower by 5.5%), while communications prices declined by 0.6% MoM. As a result, core inflation dropped in April to -0.4% YoY from -0.2%, the lowest print in the official series. Deflation is set to last until October when base effects in energy prices will lift inflation back towards 1%.

Employment in the enterprise sector rose in April by 2.8% YoY, in line with market consensus. Labour market accelerated rapidly at the turn of the year and the composition of employment growth does not look like a one-off, with large increases in manufacturing, trade and transport. In April, average wage growth surged to 4.6% YoY from 3.3%, beating estimates of 3.8%.

Retail sales grew by 3.2% YoY and it seems that the theory about postponing spending just before Easter and first handouts from 500+ programme works. Retail sales is catching up in the categories of clothing (from 0.8% to 1.8%), electronics (14.5% against 0.3%) as well as press and books (6.3% after -0.9% in March). April brought also a strong rebound in industrial

output, which accelerated to 6.0% YoY from 0.5%. It has been particularly impressive since working day difference was unchanged from March.

In mid-May, Moody's confirmed Poland's rating but lowered the outlook to negative. The decision to cut outlook was motivated by two main factors: (i) fiscal risks associated with approved (child subsidy scheme) and planned (lower retirement age) increases in government expenditures; (ii) deterioration in business environment due to less predictable legal and regulatory framework. Well-known issues such as CHF loan conversion and Constitutional Court crisis were explicitly cited. Moody's stressed the importance of foreign financing for the Polish economy and thereby risks from bond outflows in the first months of 2016.

Moody's decision is a clear indication that risk factors were identified and when those risks materialize, there will be a case for a rating cut. Moody's will publish another review of Poland's rating on September 9th, 2016. Reviews from S&P and Fitch will happen earlier (July 1st and 15th, respectively).

Chairman of mBank's Supervisory Board recommended a candidate for new CFO



On May 4th, 2016, the Chairman of mBank's Supervisory Board recommended Mr. Christoph Heins as a candidate for the position of Vice-President of the Management Board and CFO. The Supervisory Board of mBank is planning to pass a decision on this matter during its meeting on June 10th, 2016. Mr. Heins is to replace Mr. Jörg Hessenmüller as CFO of mBank as of July 1st, 2016.

Christoph Heins started his career in 1988 as Relationship Manager at Dresdner Bank. He has held numerous positions in various units of Commerzbank Group in Germany and abroad, where he gained valuable experience in front office, back office and support functional roles. In 2008, Mr. Heins became CFO of the Commerzbank New York Branch and he held this position until his return to Frankfurt in 2012. Currently, Mr. Heins is the global head of divisional controlling, a unit responsible for the financial reporting and planning for Commerzbank Group. Mr. Heins graduated from the Bankakademie in Frankfurt am Main (today known as Frankfurt School of Finance and Management) in 1996 and obtained a master's degree in banking.

The resignation of Mr. Hessenmüller is related with his appointment as new Head of Group Strategy and Development in Commerzbank.

Forthcoming corporate access events

- June 1-2, 2016: Wood's Emerging Europe Financials Conference in Warsaw

Forthcoming reporting events

- July 28, 2016: Semi-annual Financial Report of mBank Group for H1 2016
- October 26, 2016: mBank Group Financial Report for Q3 2016
- February 8, 2017: mBank Group Financial Report for Q4 2016

mBank's shares:

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 238 924
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-30, WIG-20, WIG-Banks

**mBank Analyzer
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