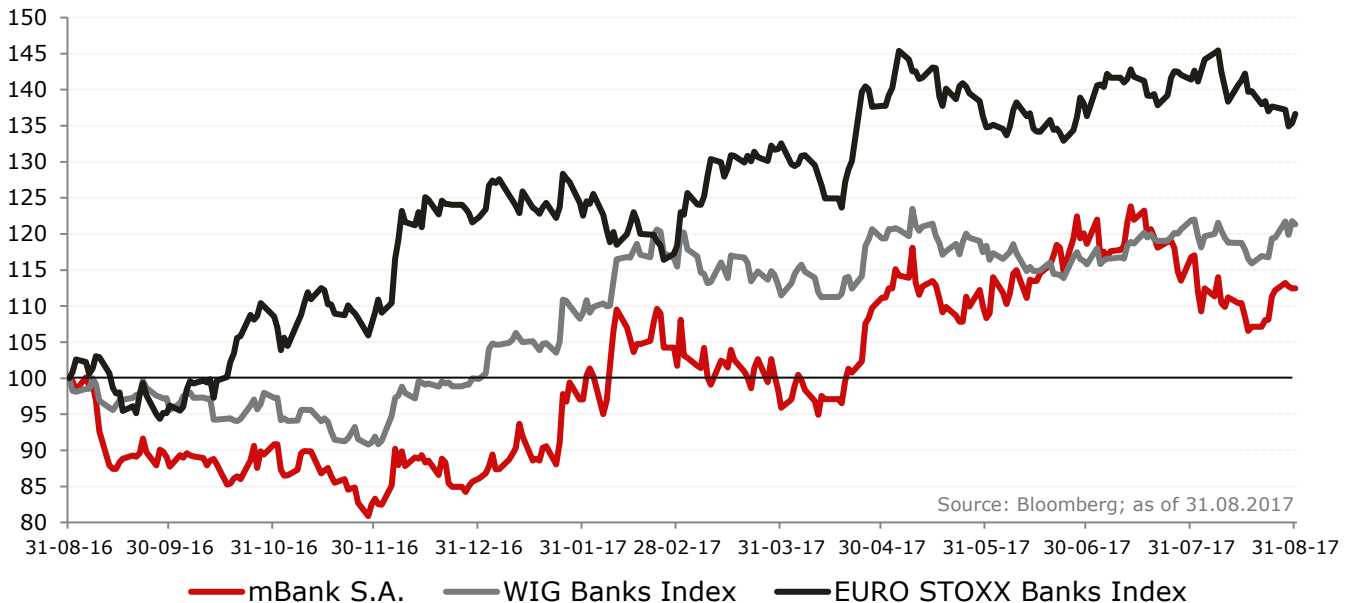


Share price performance summary

In August mBank's share price declined by 3.74%, while the WIG-Banks index went down by 0.48%. The EURO STOXX Banks Index decreased by 3.36% in the same period.

Last 12 months – chart



change in the period	3Q'16	4Q'16	2016	1Q'17	2Q'17	2017YtD
mBank	+10.62%	-1.90%	+6.77%	+11.41%	+23.72%	+30.65%
WIG Banks Index	+5.37%	+4.51%	+2.90%	+11.63%	+3.86%	+21.49%
EURO STOXX Banks Index	+11.16%	+27.00%	-8.09%	+8.37%	+2.68%	+11.69%

Consensus estimates for mBank Group's results

Financials (in PLN M)	2015	2016	2017E		2018E	
			estimate	Δ vs. 2016	estimate	Δ vs. 2017E
Net interest income	2 511	2 833	3 073	+8.5%	3 288	+7.0%
Net F&C income	897	906	996	+9.9%	1 048	+5.2%
Total income	4 093	4 295	4 399	+2.4%	4 691	+6.6%
Costs	-2 051	-1 963	-2 007	+2.2%	-2 041	+1.7%
LLPs	-421	-365	-468	+28.1%	-517	+10.5%
Operating profit	1 622	1 967	1 924	-2.2%	2 132	+10.8%
Net profit	1 301	1 219	1 162	-4.7%	1 313	+13.0%
Net loans	78 434	81 763	85 526	+4.6%	89 853	+5.1%
Assets	123 523	133 744	135 902	+1.6%	142 133	+4.6%
Deposits	81 141	91 418	93 677	+2.5%	98 871	+5.5%

Contributing research by: Citi Research, DM BOŚ, BZ WBK Brokerage, PKO BP Securities, Erste Group, Haitong Bank, Ipopema, J.P. Morgan, KBW, BofA Merrill Lynch, Noble Securities, Pekao Investment Banking, Raiffeisen Centrobank, Trigon DM, Vestor DM, Wood&Company.

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).

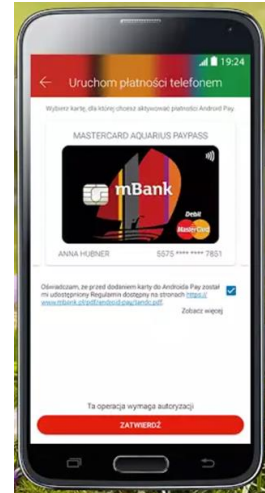
Special topic: Android Pay available also for Visa card holders at mBank

On April 12, 2017, mBank introduced a new mobile application with the Android Pay functionality, the possibility of logging in with a fingerprint, and a display of the clients' spending to help them control their budget. The design of the app was inspired by users' opinions and habits. The software, available to all the bank's clients via Google Play and App Store, has a new interface and simpler navigation.

Android Pay mobile payments are one of the key functionalities in the new app of mBank. Initially, cards issued by MasterCard were enabled to be added and since mid-August also Visa card holders have got a possibility to pay via mBank's app.

To make a contactless payment by phone, clients only need to select a card to be debited with the use of their smartphones from the list of cards displayed in the app, and in a few simple steps add it to Android Pay payments. It means that for the first time the user does not have to download a separate Android Pay app. Thanks to this improvement, the activation of a mobile card in a smartphone is faster and more intuitive.

As a consequence, Android Pay payments have quickly gained recognition among mobile clients and now almost every second person using Android Pay in Poland has mBank's card attached to the phones.


Key news regarding mBank Group
mBank's analysts find 2Q'17 GDP growth solid and see no signs of overheating


Polish economy has not slowed down compared to 1Q'17. According to the latest estimate, GDP rose by 3.9% YoY in 2Q'17, slightly above market consensus of 3.8%. On a sequential basis, the growth amounted to seasonally adjusted 1.1% (unchanged from the previous quarter). Strong 2Q'17 GDP figures confirm that Polish monetary authorities are in a very comfortable position.

Contrary to some CEE economies (Czech Republic and, especially, Romania), Poland is showing no signs of overheating at the moment. Stable GDP growth, modest inflation and still low core inflation, coupled with entrenched scepticism regarding wage pressures on the NBP's part are key reasons why the Polish MPC is not in a hurry to tighten monetary policy (as compared to its Czech counterpart). With current trajectories of key macroeconomic variables, Poland remains a Goldilocks economy. Moreover, strong GDP growth is conducive for lower credit risk and supportive for long end of the curve at these levels.

Consumer prices in Poland rose in July by 1.7% YoY, up from 1.5% YoY in June, driven by food prices, which declined by a mere 0.2% MoM (comparison to -0.9% in 2016 and -1.2% in 2015). That can be traced back to a slight decline in vegetable and fruit prices, an increase in meat prices and stable prices of fats. In general, by breaking typical seasonal patterns, Polish data replicated the behaviour of Czech and Hungarian prices. Fuel prices declined by 1.7% MoM.

Further months will be marked by above-average readings of food prices, stabilization in fuel prices, base effects and the uptrend in core categories. As a result, inflation will likely rise towards the end of the year. While the MPC is likely to ignore current inflation prints, focusing on medium-term inflation prospects, the market might be less tolerant and start pricing in earlier start to the rate hike cycle.

In July employment in the enterprise sector jumped to a record high level, growing by 4.5% on a yearly basis. This means not only a rebound after weaker June, but also another confirmation of labour market being in great shape. Average gross wage rose by 4.9% YoY, slightly below consensus. The current behaviour of key labour market variables is rather normal, even though the sensitivity of wage growth to labour market tightening is smaller than before the crisis. In particular, wage pressures start at the bottom of the income ladder, in low-pay industries. Mechanisms are similar to the 2007-2008 boom phase on the labour market, but things appear to be proceeding more gradually than before.

Industrial output rose by 6.2% YoY in July, much below market consensus. Looking at partial industry-by-industry breakdown, timing of seasonal plant outages is the key factor in automobile industry. Despite these short-term gyrations, the overall trend in industrial output remains fairly strong and stable. The on-going recovery in Poland's key trading partners and the rebound in investment suggest that industry has a bright future ahead.

Construction output surprised in July on the upside, rising by 19.8% on a yearly basis. After seasonal adjustment, the release is also solid with growth rates of 18% YoY and 4.3% MoM. Public investment was probably the main driver here. Ministry of Finance data already indicates that local government investment activity, which contributes almost entirely to construction sector, rose by 25% in 2Q'17. This release is a good starting point for investment growth in 2H'17. Another engine will start soon, when next round of EU-funded projects will kick in. Road, rail and line investment should all be a part of this revival. Reconstruction after the recent extreme weather conditions (storms) would also require additional investment.

Despite the disappointment in industrial output figures, July data suggest that economic growth accelerated in 3Q'17 with the contribution from investment materially above zero. In addition, consumer spending is set to remain robust.

mBank recognized as the best digital bank for corporates in Poland



In the middle of the summer, Global Finance magazine named The 2017 World's Best Corporate/Institutional Digital Banks in Central & Eastern Europe. mBank was recognized as a country winner for Poland. The prize has confirmed the strong market position and following the latest trends in digital banking for corporate clients to meet their needs.

Winners were chosen among entries evaluated by a world-class panel of judges at Infosys, a global leader in consulting, technology and outsourcing. Then, Global Finance editors were responsible for the final selection of the best institutions.

Winning banks were decided based on the following criteria: strength of strategy for attracting and servicing digital customers, success in getting clients to use digital offerings, growth of digital customers, breadth of product offerings, evidence of tangible benefits gained from digital initiatives, and web/mobile site design and functionality.

Forthcoming corporate access events

- September 11-12, 2017: 14th Annual Emerging Europe Investment Conference in Warsaw
- October 5-6, 2017: European Financials Conference organized by mBank Dom Maklerski in Warsaw

Forthcoming reporting events

- October 26, 2017: mBank Group Financial Report for Q3 2017
- February 8, 2018: mBank Group Financial Report for Q4 2017
- March 2, 2018: Annual Financial Report of mBank Group for 2017

mBank's shares:

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 285 676
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-30, WIG-20, WIG-Banks

**mBank Analyzer
Annual Report online**Newsletter archive – [click here](#)

For any further information, please contact the IR team.

E-mail address: investor.relations@mbank.plmBank S.A.
Analysis and Investor Relations Department
ul. Senatorska 18
00-950 Warszawa