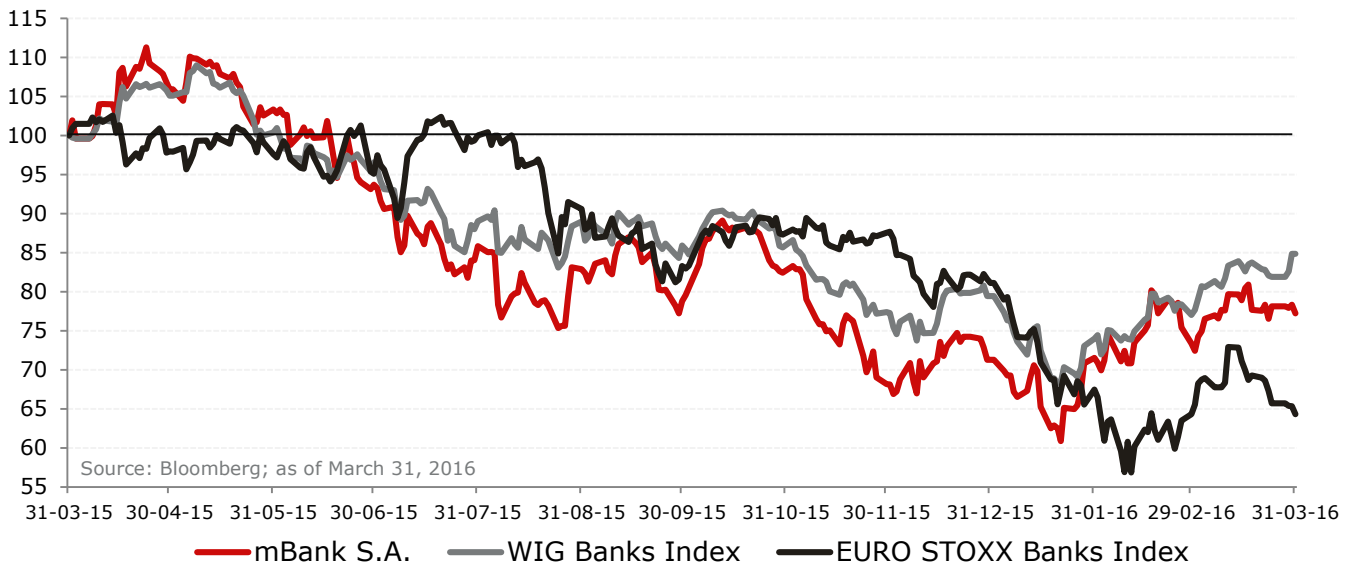


Share price performance summary

In March mBank's share price increased by 5.23%, while the WIG-Banks index went up by 10.15%. The EURO STOXX Banks Index declined by 0.01% 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%	+8.28%
WIG Banks Index	-3.42%	-11.04%	-7.51%	-23.54%	+6.77%	+6.77%
EURO STOXX Banks Index	-4.91%	-12.39%	-2.64%	-4.94%	-20.72%	-20.72%

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	2 681	+6.7%	2 892	+7.9%
Net F&C income	902	897	958	+6.7%	1 012	+5.6%
Total income	3 939	4 093	4 179	+2.1%	4 363	+4.4%
Costs	-1 771	-2 054	-1 989	-3.2%	-2 034	+2.2%
LLPs	-516	-421	-465	+10.4%	-515	+10.8%
Profit before tax	1 653	1 618	1 724	+6.6%	1 814	+5.2%
Net profit	1 287	1 301	1 082	-16.9%	1 152	+6.5%
Loans	74 582	78 434	83 604	+6.6%	87 495	+4.7%
Assets	117 986	123 523	128 795	+4.3%	133 565	+3.7%
Deposits	72 422	81 141	84 413	+4.0%	89 053	+5.5%

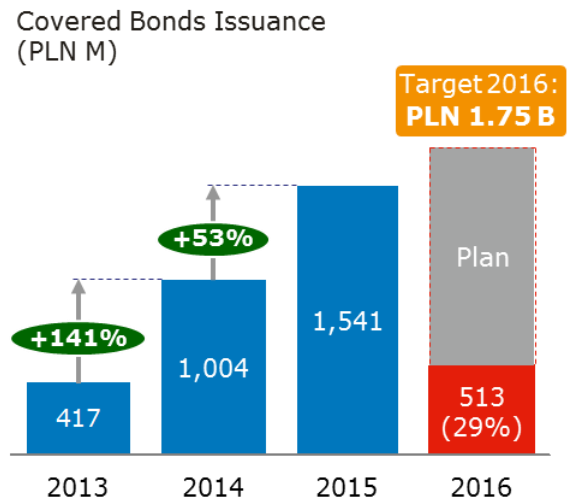
Contributing research by: Citi Research, Deutsche Bank, Millennium DM, ING Securities, BZ WBK Brokerage, Ipopema, Raiffeisen, Wood & Company, PKO Securities, Erste Group, Haitong Bank, DM Banku BPS, Goldman Sachs, BOŚ DM, BoA Merrill Lynch, J.P. Morgan, Pekao IB, Trigon DM, Vestor DM.

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: mBank on track with the 2016 plan of covered bonds issuance

In 2015 mBank Hipoteczny issued more than planned PLN 1.5 billion of covered bonds and its target for 2016 amounts to PLN 1.75 billion. In Q1 2016, mBank's mortgage unit issued 2 series of covered bonds denominated in Polish zloty and euro with a total value of PLN 513 million. It translates into the execution of full-year plan at 29%.

Covered bond issuance is seen to become the dominant long-term financing source for the mBank Group's mortgage lending and a competitive advantage in a tightening regulatory environment. Moreover, the transactions not only helped the bank to cut the financing costs, but also better match maturity and currency of assets and liabilities.


Summary of mortgage covered bonds issued in 2015 and 2016

Amount	Currency	Issue date	Maturity date	Tenor (years)	Coupon
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
300.0 M	PLN	09-03-2016	05-03-2021	5.0	WIBOR 3M + 120bps
50.0 M	EUR	23-03-2016	21-06-2021	5.2	EURIBOR 3M + 87bps

Key news regarding mBank Group
mBank's analysts see the current status quo in Polish monetary policy more fragile than it appears


Monetary Policy Council kept reference rate on hold at 1.5% in March. The cut was not even considered during the meeting and turned down by Mr Belka as unnecessary in current over-liquidity conditions. The statement stressed various risks mounting ahead of the global economy, including the contagion of problems from Emerging Markets to Developed Markets. At the same time, the view on Polish inflation and the real sphere was left intact.

After the revision of inflation basket weights, January brought deflation of 0.9% magnitude and February only a slightly milder one, at 0.8%. Food prices seem to be slowly gathering momentum. After almost 10% drop in fuel prices in January and February, mBank's analysts see at least stabilization in March. Other categories show no inflationary pressures and core inflation has even dropped below zero for the first time in a decade. However, deflation still

ends in September, and consumer price growth for the whole year will remain close to zero and December's annual reading touches 1.5%.

In February wage growth ticked down from 4.0% to 3.9% YoY, while employment surprised positively for the fourth time in a row, growing by 2.5% YoY. Fast wage bill growth in conjunction with the upcoming child subsidy programme will result in a massive increase in real household disposable income, which will boost consumption this year.

The latest set of macro data from Poland turned out to be broadly consistent with recent trends: labour market remains a bright spot in the Polish economy, real sphere data suggest a slight slowdown in GDP in Q1 2016, the persistence of deflation is an integral part of the economic landscape. At the same time, the flurry of comments from new MPC members suggests that the current consensus of rate stabilization might not be as solid as it appears at first glance. First, at least four new members of the MPC are warming up to the idea of limited rate cuts. Second, the NBP staff projections have been slashed with an axe and the new Inflation Report could easily justify some monetary easing.

Therefore, mBank's macroeconomists still believe that the MPC can ease monetary policy this year in order to bring its stance closer to the European one, provided that risk premia drop further and that PLN continues to strengthen amid dropping volatility.

Changes in the mBank's Supervisory Board



During its meeting on March 24, 2016, the Supervisory Board of mBank adopted a resolution appointing Michael Mandel as a new member of the bank's Supervisory Board, replacing Martin Blessing, resigning as of May 1, 2016, for the duration of the present term of office of the Supervisory Board, that is until the date of the Annual General Meeting approving the bank's financial report for the financial year 2016.

Michael Mandel, who completed Business Administration Studies at the University of Münster, has been working in the financial industry for many years. Since 2002, he has been associated with Commerzbank AG, where started as a Business Development Director in the private customers segment. In 2008 he was appointed CEO of Comdirect Bank AG. Michael Mandel is currently Divisional Board member at Commerzbank AG responsible for Private Customers and in May 2016 he shall become the member of the Board of Managing Directors with responsibility for the Bank's Private Customers business.

mBank again appreciated for the highest quality of services



In the ninth edition of the "Service Quality" ranking, mBank (for its most recommended personal account) was among the four banks which topped in the financial sector category. The jury of the contest comprises users of the internet platform jakoscobslugi.pl, who vote via the website and application Premia360 for smartphones. The best firms form the TOP 100 group and gain the title of the most friendly company and the Star Service Quality emblem.

Customer Satisfaction Index (CSI) for a given company is calculated on the basis of client assessment and compared with Polish Customer Satisfaction Index (PCSI) for the respective sector. This year, the results showed that service quality maintained at the similar level. In 2014 the overall Customer Satisfaction Index in Poland amounted to 76.8% and it decreased marginally to 76.4% in 2015. In the finance category, it reached 72.5% and was higher by 0.4 percentage point compared to 2014.

Forthcoming corporate access events

- April 6, 2016: Wood's Polish Innovation and Growth in Stockholm

Forthcoming reporting events

- April 28, 2016: mBank Group Financial Report for Q1 2016
- July 28, 2016: Semi-annual Financial Report of mBank Group for H1 2016
- October 26, 2016: mBank Group Financial Report for Q3 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

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