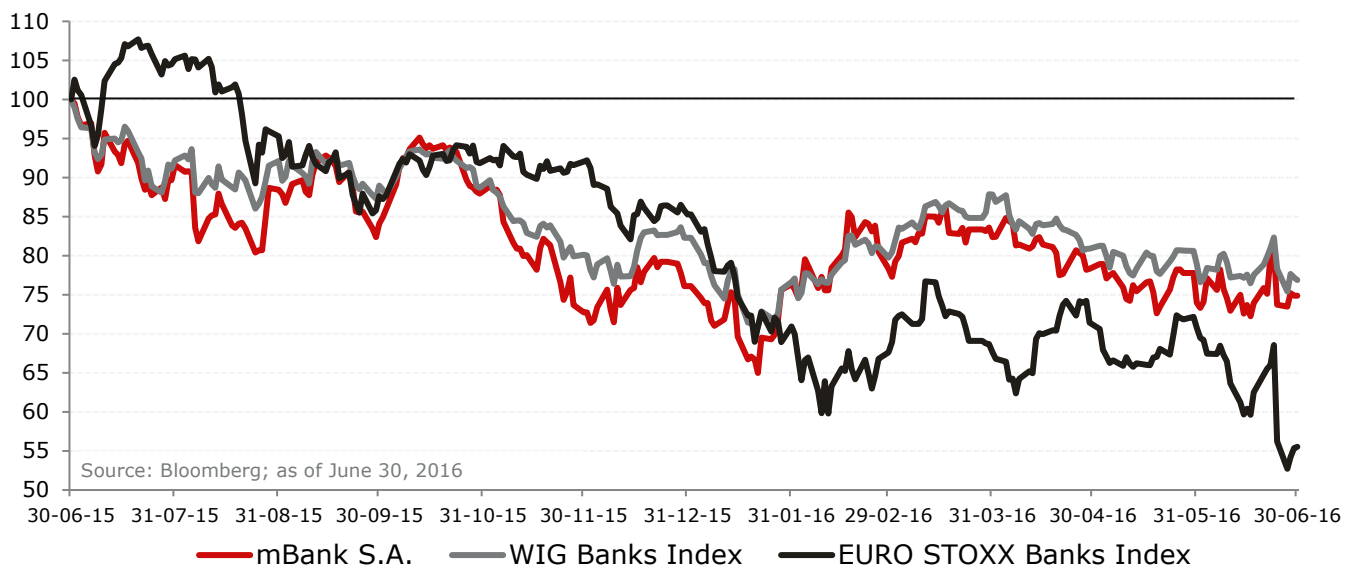


**Share price performance summary**

In June mBank's share price increased by 1.21%, while the WIG-Banks index went down by 2.63%. The EURO STOXX Banks Index dropped by 21.56% in the same period.

**Last 12 months – chart**


change in the period	3Q'15	4Q'15	2015	1Q'16	2Q'16	2016YtD
mBank	-15.91%	-9.51%	-36.95%	+8.28%	-9.13%	-1.61%
WIG Banks Index	-11.04%	-7.51%	-23.54%	+6.77%	-12.49%	-6.56%
EURO STOXX Banks Index	-12.39%	-2.64%	-4.94%	-20.72%	-17.88%	-34.89%

**Consensus estimates for mBank Group's results**

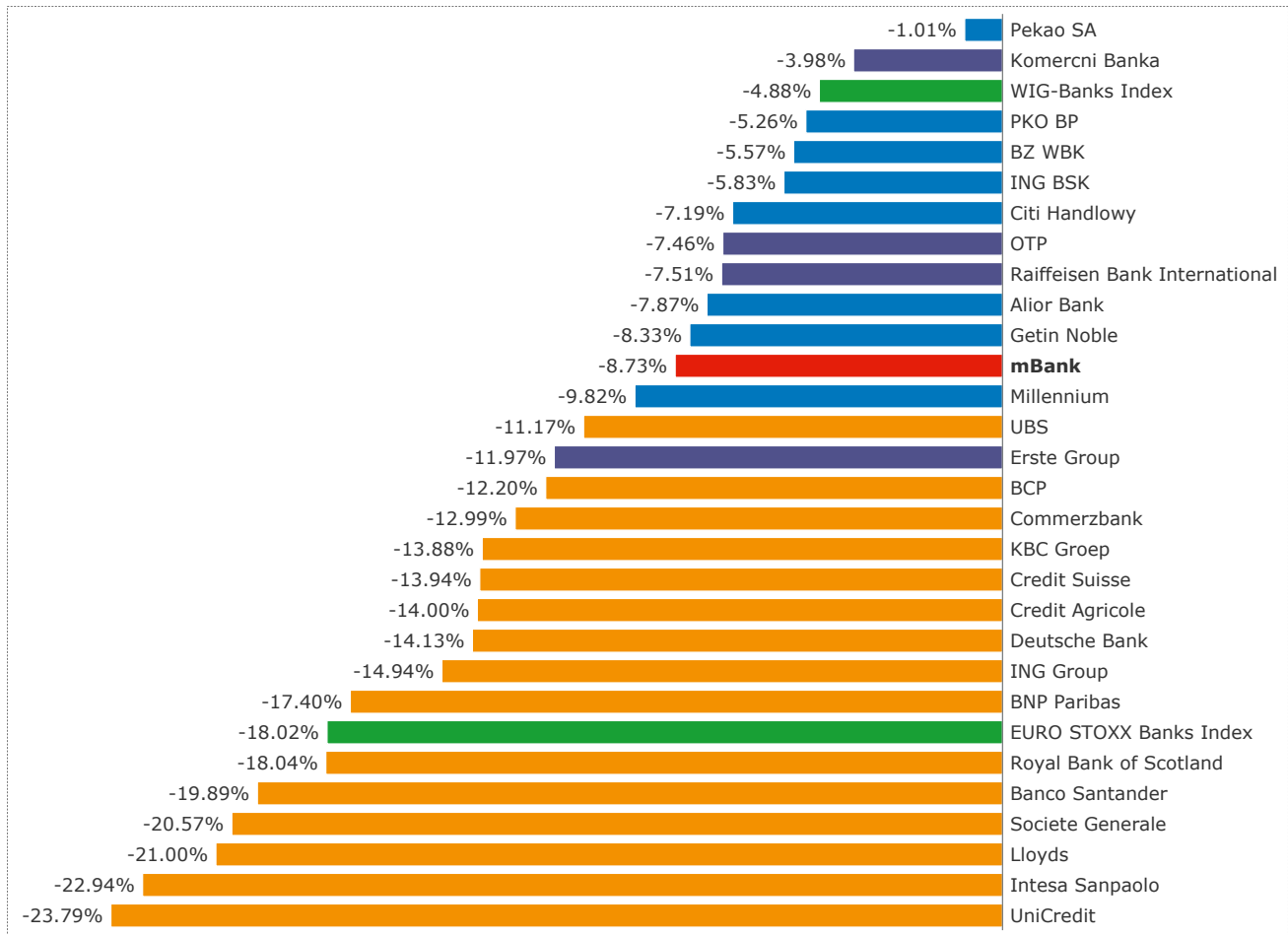
P&L item (in PLN M)	2014	2015	2016E		2017E	
			estimate	Δ vs. 2015A	estimate	Δ vs. 2016E
Net interest income	2 491	2 511	2 723	+8.4%	2 911	+6.9%
Net F&C income	902	897	934	+4.1%	991	+6.2%
<b>Total income</b>	<b>3 939</b>	<b>4 093</b>	<b>4 245</b>	<b>+3.7%</b>	<b>4 350</b>	<b>+2.5%</b>
<b>Costs</b>	<b>-1 771</b>	<b>-2 054</b>	<b>-1 938</b>	<b>-5.7%</b>	<b>-1 985</b>	<b>+2.4%</b>
LLPs	-516	-421	-448	+6.3%	-505	+12.6%
<b>Profit before tax</b>	<b>1 653</b>	<b>1 618</b>	<b>1 859</b>	<b>+14.9%</b>	<b>1 861</b>	<b>+0.1%</b>
<b>Net profit</b>	<b>1 287</b>	<b>1 301</b>	<b>1 134</b>	<b>-12.9%</b>	<b>1 117</b>	<b>-1.4%</b>
Loans	74 582	78 434	82 750	+5.5%	86 843	+4.9%
Assets	117 986	123 523	128 313	+3.9%	132 813	+3.5%
Deposits	72 422	81 141	85 801	+5.7%	90 699	+5.7%

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, KBW.

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: Stocks of Polish banks turned out to be relatively less hit by Brexit**

Share price performance of Polish and selected European banks during post-Brexit session on June 24, 2016



Source: Bloomberg.

**Key news regarding mBank Group**

**According to mBank's analysts, the MPC has offered no new ideas for monetary policy**



The Monetary Policy Council did not change any monetary policy parameters during its June meeting. Reference rate still equals 1.50%. In the post-meeting statement, which has not changed significantly from the previous one, the MPC once again stated that current level of interest rates is keeping the economy equilibrium and GDP growth slowdown in 1Q'16 is viewed as temporary.

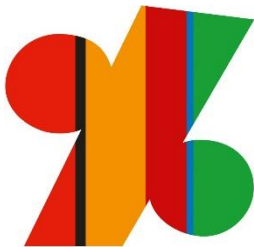
According to the final estimate, inflation rose slightly in May from -1.1% to -0.9% YoY. Food prices fell slightly (by 0.1% MoM), while fuel prices rose rapidly by 4.2% on a monthly basis. In most categories prices remained stable, showing only small, random gyrations (prices in culture and recreation as well as in transport fell, on other hand for restaurants and hotels they moved up). Core inflation remains at last month's levels (-0.4% YoY). mBank's analysts still see pass through effects of lower commodities prices, but also a drop of inflation expectations in last quarters. In current macroeconomic environment companies do not have the power to rise final goods prices.

Employment in the enterprise sector rose by 2.8% YoY in May, in line with market consensus. The acceleration observed since the turn of the year is officially over and employment is now growing at a more modest pace. Both child subsidy programme "Family 500+" and higher than previously announced raise in minimal wage could change workers' decision making process. One possibility is that employees' position on the labour market will improve, resulting just in transfers from companies to consumers. The second possibility is that this will destroy current market equilibrium and jump-start restructuring among the smaller corporates and SMEs (automation + elimination of least efficient companies), which will obviously have a negative impact in the short term. Average gross wage grew by 4.1% YoY.

Industrial output grew by 3.5% YoY in May, below market consensus of 4.9%. The slowdown was expected and can be traced back to an unfavourable arrangement of public holidays this year (two long weekends as compared to one in the previous year). As a result, output contracted by a modest 0.9% MoM (seasonally adjusted). Construction output declined by 13.7% on annual basis and this was the sixth consecutive monthly drop. The poor state of the sector is a result of drastic cutbacks in public investment, led by local governments and railways.

Real sphere is showing off neutral momentum whereas retail sales stays rather disappointing due to the fact that extra money from government transfer could have been primarily spent on services. However, such a development does not change an optimistic view on consumption as a whole, which is going to compensate for weaker investment. mBank's analysts still see a risk for rate cuts, especially given the fact, that global deflationary pressures are not abating and global growth worries recently gained strength.

### **mBank received a final allocation of settlement of Visa transaction**



On June 16, 2016, mBank as one of the beneficiaries of Visa transaction received the information regarding the final allocation of settlement, resulting from the takeover of Visa Europe Ltd. by Visa Inc. announced in November 2015. mBank's confirmed share of the sale proceeds include the following: (i) EUR 46.5 million in cash payable in 2Q'16, (ii) 16,878 Series C Visa Inc. preferred shares, and (iii) a deferred cash payment being proportionate to the up-front consideration, less any adjustments.

The total amount of deferred payment to all transaction participants will equal to EUR 1.12 billion (including interest), with mBank's share amounting to 0.3582436136%, and will be paid shortly after the third anniversary of the closing date.

Deferred payment may be subject to some adjustments in the event that one or more of participating entities have ceased to exist without a successor, or if the Visa Europe Member Representative believes that it would be in the interests of the beneficiaries to withhold monies on trust in order to protect the value of the preferred stock.

Series C Visa Inc. preferred stock will be converted to Common Visa Inc. stock and it will take place in 2028 the latest. Current conversion rate of the preferred stock to common stock is 13.952. It can be subject to a decrease until 2028 due to covered claims paid by Visa during that period.

**Forthcoming corporate access events**

- No conference or roadshow scheduled for July

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

For any further information, please contact the IR team.

**E-mail address:** [investor.relations@mbank.pl](mailto:investor.relations@mbank.pl)mBank S.A.  
Investor Relations and Group Strategy  
ul. Senatorska 18  
00-950 Warszawa