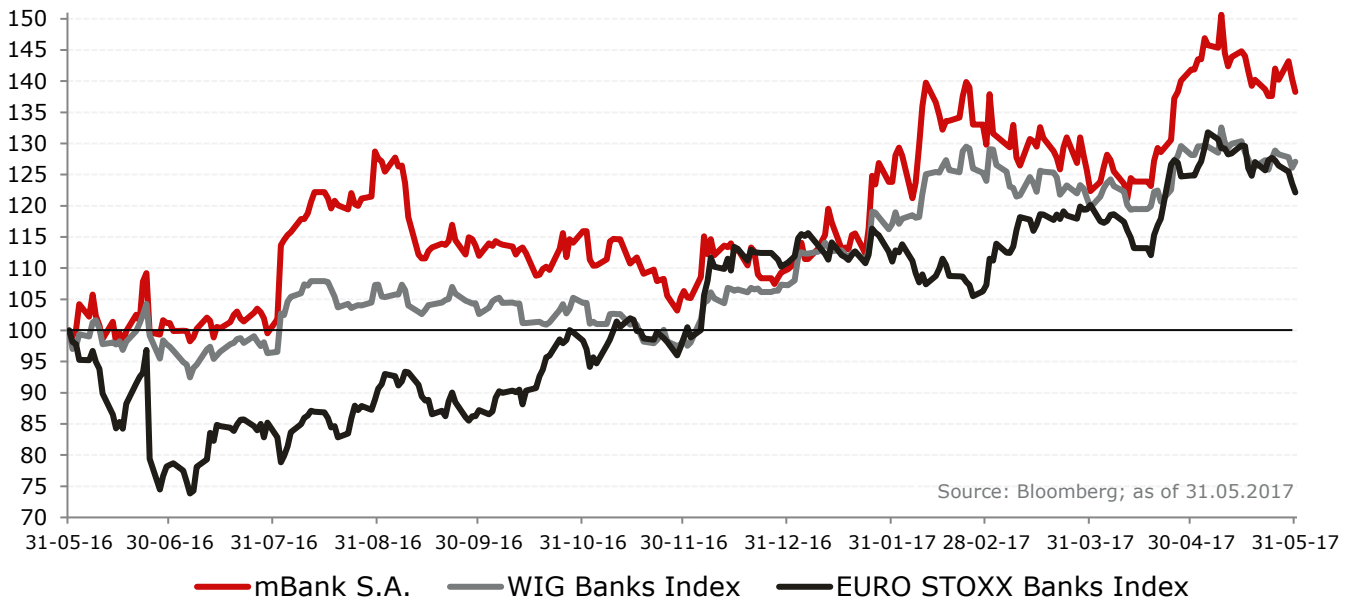


Share price performance summary

In May mBank's share price declined by 2.54%, while the WIG-Banks index went down by 0.85%. The EURO STOXX Banks Index decreased by 2.17% in the same period.

Last 12 months – chart



change in the period	2Q'16	3Q'16	4Q'16	2016	1Q'17	2017YtD
mBank	-9.13%	+10.62%	-1.90%	+6.77%	+11.41%	+25.88%
WIG Banks Index	-12.49%	+5.37%	+4.51%	+2.90%	+11.63%	+18.49%
EURO STOXX Banks Index	-17.88%	+11.16%	+27.00%	-8.09%	+8.37%	+10.16%

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	3 070	+8.4%	3 297	+7.4%
Net F&C income	897	906	957	+5.6%	1 002	+4.7%
Total income	4 093	4 295	4 384	+2.1%	4 669	+6.5%
Costs	-2 051	-1 963	-2 007	+2.2%	-2 036	+1.4%
LLPs	-421	-365	-489	+33.9%	-529	+8.0%
Operating profit	1 622	1 967	1 887	-4.0%	2 105	+11.5%
Net profit	1 301	1 219	1 140	-6.5%	1 295	+13.6%
Net loans	78 434	81 763	85 937	+5.1%	89 991	+4.7%
Assets	123 523	133 744	135 590	+1.4%	141 021	+4.0%
Deposits	81 141	91 418	94 132	+3.0%	98 828	+5.0%

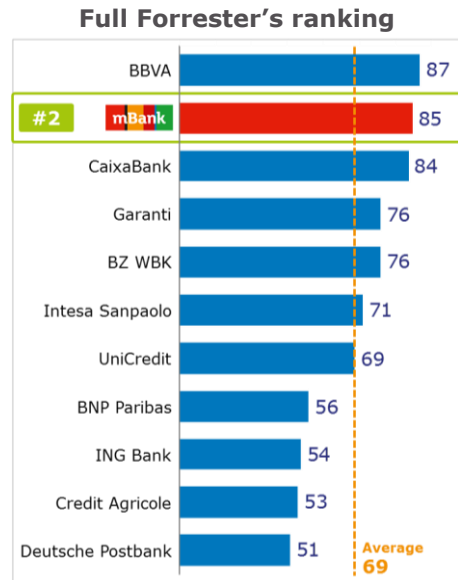
Contributing research by: Citi Research, DM BOŚ, BZ WBK Brokerage, PKO BP Securities, Erste Group, Haitong Bank, Ipopema, J.P. Morgan, KBW, BofA Merrill Lynch, Noble Securities, Pekao Investment Banking, Raiffeisen Centrobank, Trigon DM, Vestor DM, Wood&Company.

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: mBank's mobile application ranked No.2 in Europe by Forrester Research

According to Forrester Research report "2017 European Mobile Banking Benchmark", published in May, mBank offers one of the best mobile banking application in Europe.

To help digital banking teams understand how their services compare with their peers, identify good practices, and improve their mobile banking services, the company used its Mobile Banking Benchmark methodology to evaluate the retail mobile banking services of 11 retail banks in Europe. Forrester ranked the banks they see as the most innovative in each European country. This year's selection included: mBank and Bank Zachodni WBK in Poland, BBVA and CaixaBank in Spain, BNP Paribas and Cr dit Agricole in France, Intesa Sanpaolo and Unicredit in Italy, Deutsche Postbank in Germany, ING Bank in the Netherlands and Garanti Bankasi in Turkey. Forrester's study assessed banks' mobile banking services based on 39 functionality criteria and 15 usability criteria. The ultimate goal is to measure how each of these characteristics meet customers' needs and help them reach their goals.



mBank's mobile banking received a total score of 85 points out of 100 and took a second position in Forrester's ranking. The European average was 69 points. In particular, Forrester appreciated the simplicity of mBank's app usage (ahead of the competitors in this category) as well as the way of presenting the account history, easy access to the most used functions, and how to make a transfer.

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.

Key news regarding mBank Group

mBank's analysts forecast GDP growth of 4.0%+ on average in 2017



The Monetary Policy Council held interest rates unchanged during the late May meeting, in line with market expectations. The MPC remains in a comfortable position and treats high GDP growth as confirmation of its own optimistic stance. As long as inflation path does not deviate from the current projections in a significant way, the market will believe the MPC's suggestions of another 18 months of interest rate stability.

From the MPC's point of view, April data are neutral. The Council continues to see the economic environment as favourable, praise the economy as balanced. The fast 1Q'17 growth was acknowledged and governor Glapinski expects even better figures in the coming quarters, but this has no impact on monetary policy. Recent inflation developments were seen as confirmation of the MPC's preferred scenario. In the medium term the Council expects inflation to stabilize below target and it is unimaginable that it could reach the upper bound of the target band (i.e. 3.5%).

In April, employment in the enterprise sector rose by 4.6% YoY and this was the best reading since 2010, which is another proof that labour market is in great shape. Average wage grew by 4.1% YoY, slightly below market consensus and our forecast. Nevertheless, general view on wages is unchanged as the uptrend is firmly entrenched and supported by demographic, cyclical factors and possibly wage demands formulated during and after the fuel and food price spike at the turn of the year.

Industrial output disappointed, having fallen by 0.6% YoY in April. While the contrast with March's reading of 11.1% could not be greater, it is not a cause for concern. The primary reason for this massive swing is a strong calendar effect (working day count: -2 vs. +1 YoY) and a modest base effect from last year. After seasonal adjustments, production fell by 1.2% MoM and rose by 4% YoY. Compared to this cycle's average of 3.5% YoY, it can hardly be seen as a bad reading or a major deviation from recent trends.

Construction output disappointed as well, having grown by 4.3% YoY. The impact of working days was probably similar to what we have seen in industrial output data, but some influence can also be attributed to weather-related disruptions. The next few months are set to bring massive acceleration in construction output due to strong base effects in 1H'16 (the decade low in output was noted in August 2016).

Retail sales rose in April by 8.1% YoY. It is corroborated by the fact that categories responding more to working days (auto sales, fuel sales, other category) were a source of the biggest surprise. Looking beyond short-term gyrations, sales should normalize in the coming months.

Forthcoming corporate access events

- June 2, 2017: *WallStreet 21* conference organized by the Association of Individual Investors in Karpacz
- June 7-8, 2017: *Emerging Europe Financials* conference by Wood&Company in Warsaw

Forthcoming reporting events

- July 27, 2017: Semi-annual Financial Report of mBank Group for H1 2017
- October 26, 2017: mBank Group Financial Report for Q3 2017
- February 8, 2018: mBank Group Financial Report for Q4 2017

mBank's shares:

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 280 127
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

mBank S.A.
Investor Relations and Group Strategy
ul. Senatorska 18
00-950 Warszawa