

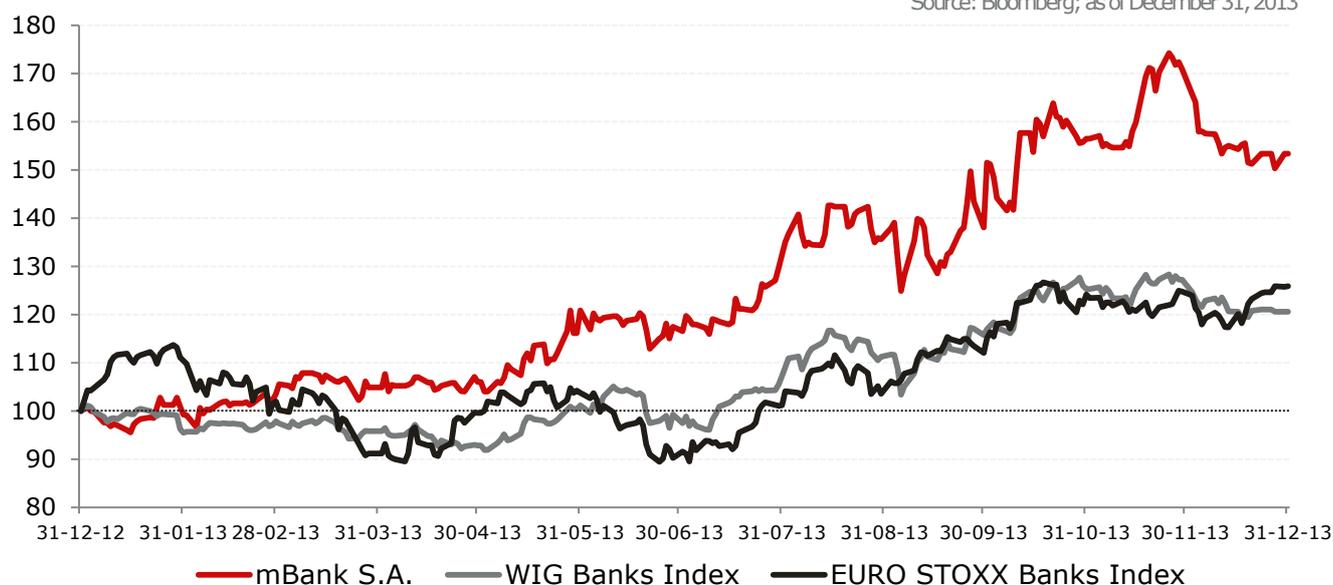
Note: As a result of rebranding, the Bank's ticker on the WSE changed to **MBK**.

Share price performance summary

In December mBank's share price decreased by 10.23%, while the WIG Banks index decreased by 5.22%. The EURO STOXX Banks Index increased by 0.89% in the same period.

Last 12 months – chart

Source: Bloomberg; as of December 31, 2013



<i>change in the period</i>	2012	Q1'13	Q2'13	Q3'13	Q4'13	2013
mBank	+32.52%	+4.91%	+11.99%	+17.52%	+11.09%	+53.37%
WIG Banks Index	+22.64%	-4.20%	+3.60%	+16.58%	+4.18%	+20.54%
EURO STOXX Banks Index	+11.98%	-8.81%	-1.04%	+24.11%	+12.39%	+25.87%

Consensus estimates for mBank Group's results

P&L item <i>(in PLN M)</i>	2011FY	2012FY	2013E		2014E	
			estimate	Δ vs. 2012A	estimate	Δ vs. 2013E
Net interest income	2 167	2 234	2 166	-3.0%	2 391	+10.4%
F&C income	840	840	850	+1.3%	894	+5.1%
Total income	3 521	3 578	3 595	+0.5%	3 842	+6.9%
Costs	-1 680	-1 661	-1 680	+1.1%	-1 730	+3.0%
LLPs	-373	-445	-475	+6.9%	-482	+1.4%
Profit before tax	1 467	1 472	1 439	-2.3%	1 628	+13.1%
Net Income	1 135	1 203	1 155	-4.0%	1 298	+12.4%
Loans	67 852	67 059	71 256	+6.3%	75 726	+6.3%
Assets	98 876	102 266	106 800	+4.4%	111 824	+4.7%
Deposits	54 244	57 984	61 847	+6.7%	66 429	+7.4%

Contributing research (released after September 1, 2013) by: Citi Research, Deutsche Bank, Millennium DM, BoA Merrill Lynch, Raiffeisen, UniCredit, ING Securities, DM BZ WBK, IDM SA, J.P. Morgan, Wood & Company, KBW, Morgan Stanley, PKO DM, Erste Group, Espirito Santo, DM Banku BPS.

Special topic: Ranking of brands power – financial institutions

Rank	Brand Name	Brand Power	Perceived Value (0-100)	Perceived Quality (0-100)
1	 Bank Polski	416	57	71
2	 mBank	376	90	71
3	 Bank Zachodni WBK	375	65	71
4	 PZU	370	57	80
5	 Millennium	366	62	70
6	 Bank Pekao	365	60	71
7	 ALIOR BANK	359	64	69
8	 Bank BPH	321	56	64
9	 BOŚ BANK	321	54	64
10	 QUERCUS	316	39	83

Source: Polish Brands Ranking, Rzeczpospolita.

Key news regarding mBank Group
mBank's analysts point out that the recovery is strengthening


mBank's analysts see industrial output and construction to become the power horse of the current recovery. Q4 GDP surprise (2.7-3.0%) can now be taken for granted. However, markets behave as if the possibility of higher rates did not exist. Higher growth and inflation in 2014 are set to challenge this view and lead to rate hikes at the end of 2014.

Industrial output grew by 2.9% YoY in November, little changed from the October reading of +4.4% YoY. This happened despite a very unfavourable working day effect which suggested – if one assumed a flat trend or momentum – a reading within a 0-1% range. The drop in industrial output dynamics is a minor hiccup in an otherwise quite impressive upward trend. In December, due to calendar effects and low statistical base from last year (December'12 marks the bottom of the cycle in most industries), industrial output should grow in a two-digit pace, perhaps by 12% or more.

The biggest surprise in the release came from construction, which – despite significant negative calendar effects and last year's statistical base – declined in November only by 2.9% YoY. Ex post, such a good reading of construction could be attributed to the unusually high temperatures in November, which boosted construction works and enabled to replicate the very good reading from November last year. It confirms the view of mBank's analysts that construction sector will be one of the factors that will contribute to the growth of Polish GDP.

CPI inflation fell to 0.6% YoY in November from 0.8% YoY in the previous month (market consensus and mBank's forecast amounted to +0.9%). Both the drop and the surprise are due

to food prices and telecom services. The steep drop in communication services is a direct result of price discounts offered by mobile operators. Core inflation dropped to 1.1% YoY from 1.4% YoY recorded in the previous month. However, it would have remained unchanged if telecom services were excluded. According to mBank's analysts, in the coming months CPI will gradually rise but should remain below the central bank's target and its lower band.

Nevertheless, inflationary pressures are going to build up, albeit slowly. mBank's GDP forecasts are generally higher than those of the NBP and the analysts also rely on anecdotal evidence (supported by the movement of employment in basic services) that labour market starts to tighten, especially for blue collar workers. This is going to support a rising trend in core inflation. mBank's experts also do not see evidence for continuation of benign behaviour of food prices. In a longer horizon they do not change the call for rate hikes towards the end of 2014 despite the fact that the market consensus is drifting in the opposite direction.

mBank issued a PLN 500 million subordinated debt (Tier II)



mBank's bond was priced on November 29th and settlement occurred on December 3rd, 2013. The maturity is 10 years and the call option date is December 20th, 2018. The issue size was PLN 500 million with the minimal denomination of PLN 100 thou. The coupon was set at WIBOR 6M + 225 bps and the payments are semi-annual. Issuance is structured to comply with CRR/Basel III and the Polish Banking Law.

The transaction featured broad participation from institutional investors. The issue was predominantly sold to domestic investment funds (90%), with a small portion being sold to Polish pension funds (10%). Investors will also be able to trade in the bonds on the BondSpot ASO platform of the Catalyst market at the Warsaw Stock Exchange.

mBank with the best loyalty card of 2013 at the Polish Card Gala



Card *Visa Miles & More Premium* issued by mBank won the category for the best loyalty card in Poland, in a competition accompanying the Central European Electronic Card Conference on December 4-5th, 2013. The official announcement of the results took place during the Polish Card Gala Dinner, closing the sixth annual two-day debate in Warsaw.

The card offers the most attractive award points per PLN ratio on the market. Card users can also benefit from free concierge service within which the customer professional support is offered, including roadside assistance, ticket reservations and organisation of numerous events.

The cards were evaluated by a panel of experts representing the Polish and international card markets. The jury was composed of the representatives of Visa Europe, the Polish Banks Association, Polish Information Processing Society, the Association "Computer in the Company" and the conference organizers.

Forthcoming corporate access events

- January 22-24th, 2014: dbAccess CEEMEA Conference in London

Forthcoming reporting events

- February 6th, 2014: BRE Bank's Group Financial Report for Q4 2013
- March 3rd, 2014: BRE Bank's Group Consolidated Annual Report for 2013



Happy New Year Greetings for 2014
from mBank's IR Team!

*May the upcoming New Year
bring you plenty of success,
prosperity, positive changes,
inspirations, as well as satisfaction
from owning mBank's shares.*

mBank's shares:

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 174 013
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-30, WIG-20, WIG-Banks

**mBank Analyzer
Annual Report online**

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