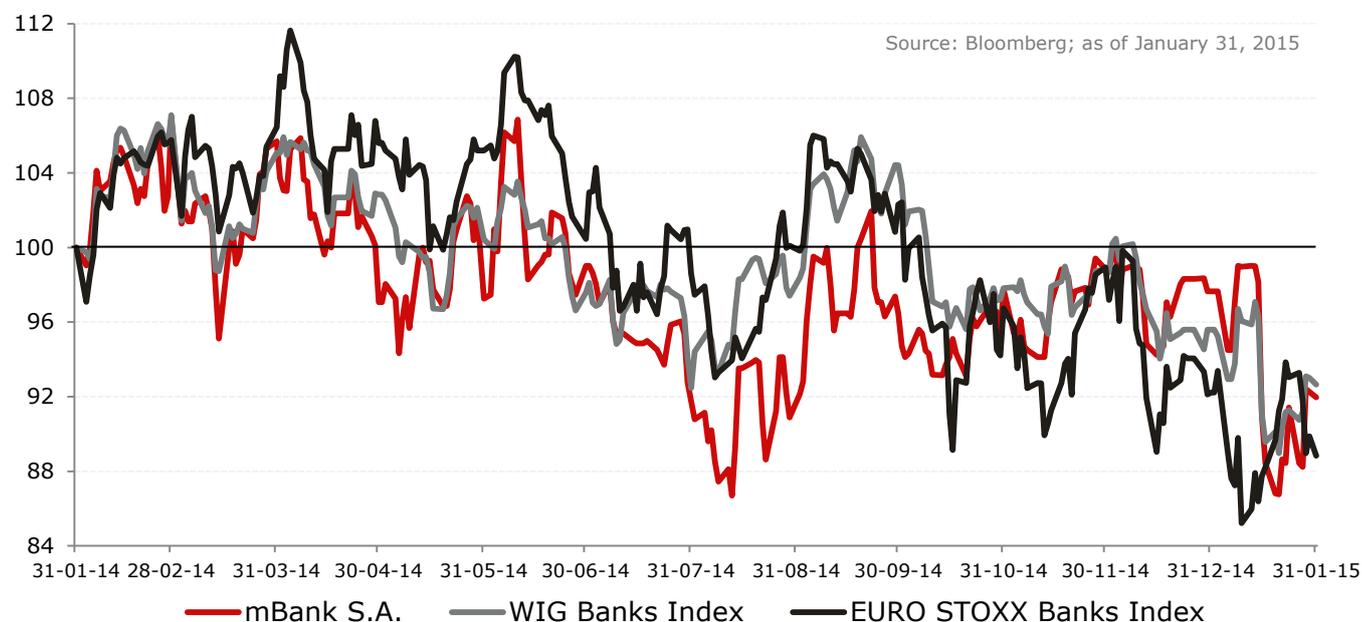


Share price performance summary

In January mBank's share price decreased by 5.82%, while the WIG Banks index declined by 3.08%. The EURO STOXX Banks Index went down by 3.67% in the same period.

Last 12 months – chart



change in the period	2013	Q1'14	Q2'14	Q3'14	Q4'14	2014
mBank	+53.37%	+7.80%	-6.31%	-2.57%	+1.22%	-0.40%
WIG Banks Index	+20.54%	+9.18%	-7.13%	+6.99%	-8.43%	-0.66%
EURO STOXX Banks Index	+25.87%	+9.78%	-5.63%	+1.84%	-9.85%	-4.89%

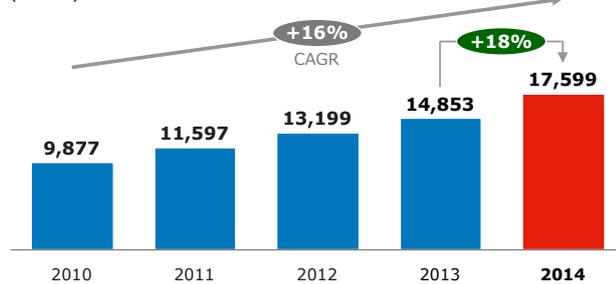
Consensus estimates for mBank Group's results

P&L item (in PLN M)	2013FY	2014FY	2015E		2016E	
			estimate	Δ vs. 2014A	estimate	Δ vs. 2015E
Net interest income	2 226	2 491	2 558	+2.7%	2 753	+7.6%
Net F&C income	835	902	908	+0.7%	961	+5.9%
Total income	3 674	3 939	4 166	+5.8%	4 324	+3.8%
Costs	-1 678	-1 771	-1 848	+4.4%	-1 893	+2.5%
LLPs	-478	-516	-557	+8.0%	-570	+2.3%
Profit before tax	1 518	1 653	1 759	+6.5%	1 859	+5.6%
Net profit	1 206	1 287	1 399	+8.8%	1 476	+5.5%
Loans	68 210	74 582	77 623	+4.1%	82 541	+6.3%
Assets	104 283	117 986	118 830	+0.7%	124 179	+4.5%
Deposits	61 674	72 422	72 147	-0.4%	77 104	+6.9%

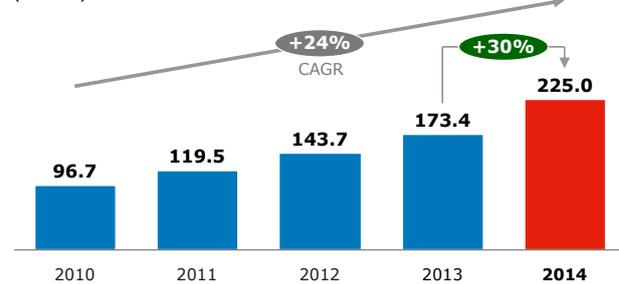
Contributing research by: Citi Research, Deutsche Bank, Millennium DM, ING Securities, BZ WBK Brokerage, Ipopema, Raiffeisen, Goldman Sachs, Wood & Company, PKO Securities, Erste Group, Pekao Investment Banking, BESI Research, BoA Merrill Lynch, J.P. Morgan, BOŚ DM, Trigon DM, KBW, DI Investors, Noble Securities.

Special topic: mBank's clients prefer card payments

Value of mBank's Non-cash Transactions with Payment Cards (PLN M)



Number of mBank's Non-cash Transactions with Payment Cards (million)



In 2014 the total value of card purchases made by mBank's retail banking customers reached more than PLN 17.6 billion, which was a historical record and an increase by 18% compared to 2013. mBank's clients used their cards more often than the year before, resulting in a dynamic growth in the number of non-cash transactions by 30%, and on average paid smaller amounts with them, which means that the cards have been increasingly replacing cash for everyday purchases. Consequently, mBank's market share in non-cash payments increased to 12.4%. As part of its strategy of payments development in 2014, mBank implemented new payment instruments:

- BLIK mobile payments - for all holders of mBank's mobile application,
- NFC mobile payments with Orange - for the owners of smartphones in the Orange network with NFC technology,
- MC PayPass sticker - an offer for customers who want to make contactless payments with their mobile phone, but do not have a device with NFC.

Key news regarding mBank Group
A CHF appreciation is expected to have limited impact on the mBank Group's results


An unexpected decision of the Swiss Central Bank taken on 15 January 2015 to discontinue maintaining a minimum exchange rate of CHF to EUR at the level of 1.20 resulted in significant appreciation of CHF against PLN. The elevated exchange rate of CHF v. PLN, if persists, will have a moderate adverse impact on the financial performance of mBank in 2015.

As the bank has a substantial portfolio of mortgage loans denominated in CHF, the weakening of PLN against CHF will cause an increase in risk-weighted assets and consequently decrease of the Group's capital ratios. In particular, applying an exchange rate of 4.20 to calculate the capital ratios as of December 31, 2014, would reduce the reported consolidated Common Equity Tier 1 Ratio by 41 basis points and Total Capital Ratio would fall by 36 basis points.

While a large majority of mBank's CHF mortgage borrowers should see their monthly instalment reduced compared to December 2014, benefiting from negative LIBOR rate, certain increase in loan loss provisions, reflecting higher loan values relative to underlying collaterals, may be registered in the profit and loss account.

Finally, reduced FX spreads for mBank customers, a slightly delayed adjustment of the bank's funding cost to the negative LIBOR regime compared to the adjustment speed for customer loans and potentially increased competition for domestic deposits (as some Polish banks might seek additional liquidity to fund their CHF loan exposures through SWAP instruments) will have a moderately negative impact on mBank's revenues in the medium term horizon.

mBank's analysts see MPC to cut rates even faster despite better data

Just as markets anticipated, Monetary Policy Council kept interest rates at the same level at the January meeting. However, the communication has changed significantly, not only the perception of economic situation. MPC thinks that dynamics of economic activity could slow. Recent set of better data seemed to be a good reason for the MPC to wait for the new inflation projection before cutting rates again.

In December inflation dropped from -0.6% to -1.0%, a new record in deflation. On a monthly basis the biggest drop was recorded for fuels – almost 5%. Prices in other categories remained broadly stable. Once again mBank's analysts find no signs of inflationary pressures or a turnaround in disinflation. The lowest inflation readings are still ahead of us, as the inflation may fall to around -1.5% in the first quarter.

Average gross wage increased by 3.7% YoY in December, up from 2.7% in November and employment in the enterprise sector grew by 1.1%. It is a truly positive surprise since employment in December dropped only marginally on November (typical seasonal effects are strong and to the downside).

Record low (and negative) inflation, working hand in hand with solid nominal wage growth and stable employment gains led to new highs in real income growth. Real wages grew by 4.8% in December (fastest since October 2008) and real wage bill increased by 5.9% (fastest growth since November 2008). At the moment, real wages are growing faster than at any point during the previous cycle and are nearing pre-crisis growth rates. This suggests that strong consumption growth will be maintained in the next quarters and supports the acceleration of the economy in 2015. Household consumption is bound to be one of the pillars of the recovery.

After adjusting for seasonal and calendar factors, industrial output growth amounted to 2.3% MoM and 5.0% YoY. The rebound in construction output was more modest, as in December it grew by 5.3% YoY and 1.0% MoM. While warm winter is bound to boost construction in the first quarter (just as it did in 2014), a significant acceleration in construction will probably happen in mid-2015 when all tenders for expressways and motorways are completed and machines start rolling in on construction sites.

Bold quantitative easing program in the Eurozone can only stimulate the Polish economy if zloty does not strengthen much. Polish zloty is not going to strengthen much only if MPC is going to actually cut rates. Adjustment of monetary policy will happen in the first quarter. Current governor Belka's rhetoric indicates that Council paid more attention to deflation threats than earlier, thus almost creating a pro-cut majority.

mBank named the Best Cash Management Provider in Poland

On January 7th, 2015, mBank for the first time was selected the Best Cash Management Provider in Poland in the annual ranking by the prestigious Global Finance Magazine. A multi-tiered assessment process, which included a readers' poll, input from industry analysts, corporate executives, technology experts and independent research, was used to select the best providers of treasury and cash management services.

A variety of subjective and objective criteria were considered, including: profitability, market share and reach, customer service, competitive pricing, product innovation and the extent to which treasury and cash management providers have successfully differentiated themselves from their competitors around core service provision.

Forthcoming corporate access events

- February 20th, 2015: mini roadshow OFE, TFI – Warsaw headquarter

Forthcoming reporting events

- March 2nd, 2015: mBank Group Consolidated Annual Report for 2014
- April 29th, 2015: mBank Group Financial Report for Q1 2015

mBank's shares:

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 210 157
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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