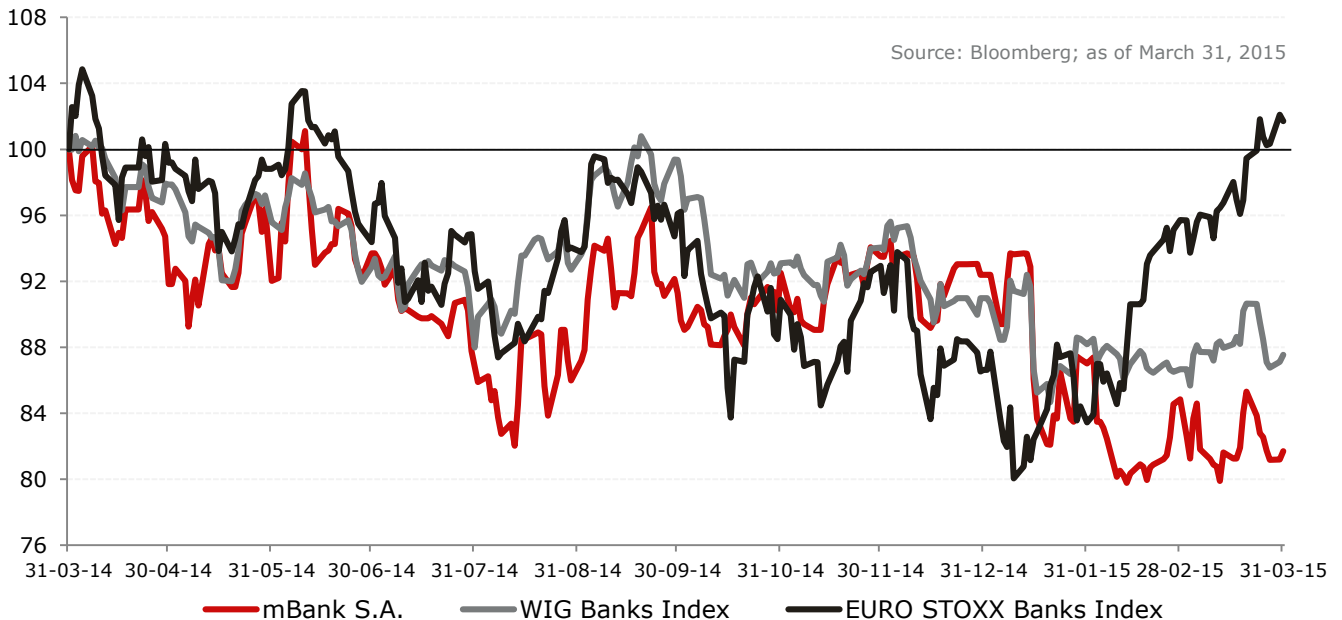


### Share price performance summary

In March mBank's share price declined by 3.71%, while the WIG Banks index increased by 1.02%. The EURO STOXX Banks Index went up by 6.26% in the same period.

#### Last 12 months – chart



change in the period	Q1'14	Q2'14	Q3'14	Q4'14	2014	2015 YtD
mBank	+7.80%	-6.31%	-2.57%	+1.22%	-0.40%	-11.58%
WIG Banks Index	+9.18%	-7.13%	+6.99%	-8.43%	-0.66%	-3.78%
EURO STOXX Banks Index	+9.78%	-5.63%	+1.84%	-9.85%	-4.89%	+17.40%

### Consensus estimates for mBank Group's results

P&L item (in PLN M)	2013	2014	2015E		2016E	
			estimate	Δ vs. 2014A	estimate	Δ vs. 2015E
Net interest income	2 226	2 491	2 554	+2.6%	2 751	+7.7%
Net F&C income	835	902	902	0.0%	954	+5.8%
<b>Total income</b>	<b>3 674</b>	<b>3 939</b>	<b>4 155</b>	<b>+5.5%</b>	<b>4 311</b>	<b>+3.8%</b>
<b>Costs</b>	<b>-1 678</b>	<b>-1 771</b>	<b>-1 848</b>	<b>+4.4%</b>	<b>-1 894</b>	<b>+2.5%</b>
LLPs	-478	-516	-560	+8.6%	-574	+2.5%
<b>Profit before tax</b>	<b>1 518</b>	<b>1 653</b>	<b>1 745</b>	<b>+5.6%</b>	<b>1 840</b>	<b>+5.5%</b>
<b>Net profit</b>	<b>1 206</b>	<b>1 287</b>	<b>1 388</b>	<b>+7.9%</b>	<b>1 462</b>	<b>+5.3%</b>
Loans	68 210	74 582	77 919	+4.5%	82 687	+6.1%
Assets	104 283	117 986	119 206	+1.0%	124 450	+4.4%
Deposits	61 674	72 422	72 412	0.0%	77 341	+6.8%

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

**Special topic: mBank Group completed the sale of its insurance unit to AXA Group**

After the fulfilment of the conditions precedent, i.e. obtaining necessary approval of the Competition and Consumer Protection Office (UOKiK) and decision of the Polish Financial Supervision Authority (KNF), on March 27, 2015, Aspiro S.A. (the subsidiary of mBank) sold 100% shares of BRE Ubezpieczenia Towarzystwo Ubezpieczeń i Reasekuracji S.A. (BRE TUiR) to Avanssur société anonyme (the entity of AXA Group).

At the same time, the Bank signed a distribution agreement with AXA Życie Towarzystwo Ubezpieczeń S.A., which is regulating the long-term cooperation between the Bank and AXA with regard to the distribution of life insurance products. On March 30, 2015, the agreement between mBank and BRE TUiR regulating the long-term cooperation with regard to the distribution of property insurance products was concluded.

Total consideration of mBank Group for the sale of shares of BRE TUiR and signing a number of agreements related to the sale as well as distribution agreements amounted to PLN 579.5 million. A one-off, positive impact of the transaction on the pre-tax profit of mBank Group reached PLN 193.5 million and was recognized in Q1 2015.

Cooperation with AXA will translate into even wider product range and the best quality of service for customers of mBank Group. Clients will gain access to the state-of-the-art insurance products, offered via electronic and mobile platforms as well as traditional outlets. The strategic agreement with AXA is a next step to fully leverage on the potential of mBank's internet and mobile platforms.

The AXA Group is a worldwide leader in insurance and asset management, with 157,000 employees serving 103 million clients in 59 countries. In 2014, its revenues amounted to EUR 92.0 billion. AXA Group has been operating in Poland since 2006. The transaction allows AXA to materially strengthen its distribution reach in Poland with an access to mBank's innovative and fast-growing multi-channel distribution model, while shifting its business mix towards more property and life protection products.

**Key news regarding mBank Group****Economy is steaming forward but rate hikes are not coming any time soon**

Any bets on Polish monetary policy must include the general European context (low inflation, low rates, eurozone Quantitative Easing). It is unlikely that the NBP will be frontrunning the EBC in monetary tightening as premature tightening would send the PLN appreciating. Thus, mBank's analysts do not believe that rate hikes are coming next year.

CPI inflation in February dropped to -1.6% and January was revised downwards to -1.4% (from -1.3%). The major drivers of CPI changes in recent months were fuel prices (massive drops) and steadily low food prices. This tendency replicated itself in February. Core categories remained stable but it was sufficient to lower core inflation towards 0.4-0.5% YoY (from 0.6%). Inflation did make its lowest print and is poised to rise slowly in the coming months. However, deflation is going to dwell in Poland until Autumn and average CPI for 2015 is set to stay negative.

The series of data releases for February was a mixed bag. While wages held steady and industrial output data was particularly strong, employment and retail sales surprised to the downside. An assessment of output and new orders jumped to new multi-year highs in March.

Average wage rose in February by 3.2%, in line with market consensus. The slowdown (comparing to previous month) could be driven by concurrence of negative factors: high base in mining and seasonal shift in remuneration in transport services. Employment in the enterprise sector held steady in February at last month's level. Annual growth rate stayed also unfazed at 1.2%.

In February industrial production rose by 4.9% after a 1.7% rise in January. It means that Polish industry kept its positive momentum: after seasonal adjustment yearly dynamic amounted to 4.7% comparing to 4.0% in January and 5.0% in December 2014. The reason for this quickening could be found in positive surprises from Eurozone economy (rebound in car industry for instance).

Retail sales unexpectedly fell 1.3% YoY. Taking a broader view, it may be the case that Poland is undergoing a transformation towards service consumption fairly fast and acceleration of retail sales will not be substantial. All in all, mBank's macroeconomists think that consumption is not going to be the main driver of the cycle in 2015. The biggest potential to generate increments in consumption lies in public sector. The same applies to investment demand.

### **mBank awarded by Celent Research for the second time in a row**



For the second time in a row mBank won the international competition Model Bank Awards, organized by the global consulting firm Celent Research. This year, experts appreciated the mBank's model of offering the insurance.

The Model Bank Awards recognize a financial institution's effective use of technology in specific areas. The aim of this worldwide competition is to select the examples of skillful matching of innovative solutions to specific market requirements. The model of offering insurance at mBank was recognized as the best in the category "Innovation and Emerging Technologies".

The experts appreciated especially a multi-channel approach of offering insurance products with the use of electronic platform. The winning projects were assessed against three main criteria, including the financial performance and the size of the running business, a degree of innovation and the effective implementation of new technologies.

mBank won the competition, presenting its model in which the full range of insurance products, including more than 30 complete products, is offered entirely remotely, supported by modern processes and through every possible distribution channel: online, by phone, mobile device, video chat and finally at the bank's branches.

### **mBank again appreciated by Global Finance**



mBank was named "Best Bank in Poland" in the annual contest „Best Emerging Markets Banks in Central and Eastern Europe” organized by Global Finance Magazine. The international jury based their assessment on a research conducted via surveys, as well as the evaluation performed by the analysts and banking consultants. There were several factors taken into consideration in the ranking, including: growth in assets, profitability, cooperation with strategic partners, quality of customer service, and innovations.

**Forthcoming corporate access events**

- April 13-15, 2015: Roadshow in the United States

**Forthcoming reporting events**

- April 29, 2015: mBank Group Financial Report for Q1 2015
- July 30, 2015: mBank Group Consolidated Semi-annual Report for H1 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**Newsletter archive – [click here](#)

For any further information, please contact the IR team.

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