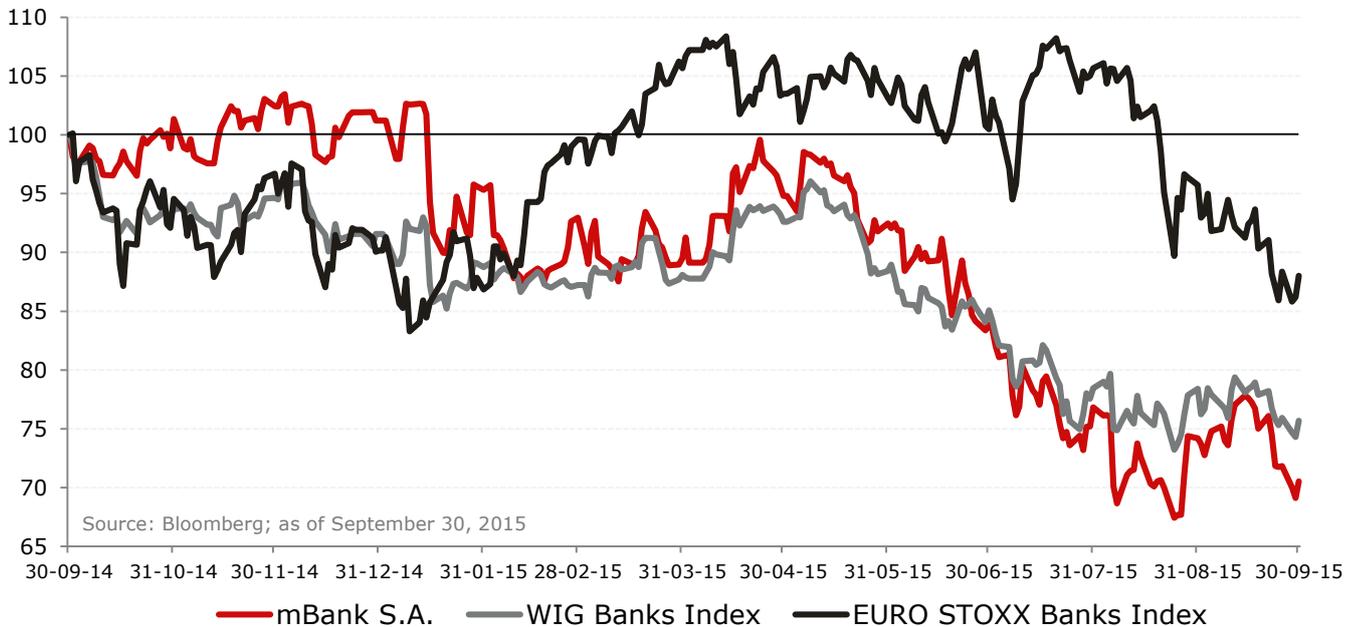


Share price performance summary

In September mBank's share price declined by 4.93%, while the WIG Banks index went down by 3.44%. The EURO STOXX Banks Index decreased by 8.06% in the same period.

Last 12 months – chart



change in the period	Q4'14	2014	Q1'15	Q2'15	Q3'15	2015 YtD
mBank	+1.22%	-0.40%	-11.58%	-6.29%	-15.91%	-30.32%
WIG Banks Index	-8.43%	-0.66%	-3.78%	-3.42%	-11.04%	-17.33%
EURO STOXX Banks Index	-9.85%	-4.89%	+17.20%	-4.91%	-12.39%	-2.36%

Consensus estimates for mBank Group's results

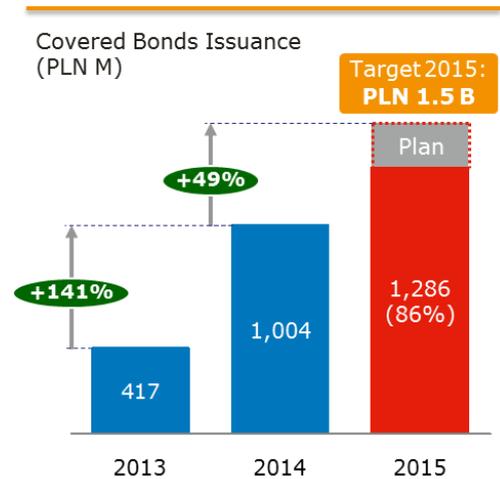
P&L item (in PLN M)	2013	2014	2015E		2016E	
			estimate	Δ vs. 2014A	estimate	Δ vs. 2015E
Net interest income	2 226	2 491	2 464	-1.1%	2 709	+9.9%
Net F&C income	835	902	857	-4.9%	911	+6.3%
Total income	3 674	3 939	4 030	+2.3%	4 176	+3.6%
Costs	-1 678	-1 771	-1 892	+6.8%	-2 033	+7.5%
LLPs	-478	-516	-494	-4.3%	-566	+14.6%
Profit before tax	1 518	1 653	1 645	-0.5%	1 549	-5.8%
Net profit	1 206	1 287	1 307	+1.6%	1 218	-6.9%
Loans	68 210	74 582	80 965	+8.6%	86 054	+6.3%
Assets	104 283	117 986	125 033	+6.0%	130 851	+4.7%
Deposits	61 674	72 422	77 134	+6.5%	82 669	+7.2%

Contributing research by: Citi Research, Deutsche Bank, Millennium DM, ING Securities, BZ WBK Brokerage, Ipopema, Raiffeisen, Wood & Company, PKO Securities, Erste Group, HAITONG Bank, DM Banku BPS, Goldman Sachs, BOŚ DM, BoA Merrill Lynch, J.P. Morgan, Trigon DM, Vestor DM.

Special topic: mBank close to the execution of 2015 plan in covered bonds issuance

In 2014 mBank Hipoteczny issued planned PLN 1 billion of covered bonds and its target for 2015 amounts to PLN 1.5 billion. In 9M 2015, mBank's mortgage unit issued 6 series of covered bonds denominated both in Polish zloty and euro with a total value of PLN 1,286 million. It translates into the execution of full-year plan at 86%.

Covered bond issuance is seen to become the dominant long-term financing source for the mBank Group's mortgage lending and a competitive advantage in a tightening regulatory environment. Moreover, the transactions not only helped the bank to cut the financing costs, but also better match maturity and currency of assets and liabilities.


Summary of mortgage covered bonds issued in 2015

Amount	Currency	Issue date	Maturity date	Tenor (years)	Coupon
200.0 M	PLN	20-02-2015	28-04-2022	7.2	WIBOR 6M + 78bps
20.0 M	EUR	25-02-2015	25-02-2022	7.0	Fixed (1.135%)
250.0 M	PLN	15-04-2015	16-10-2023	8.5	WIBOR 6M + 87bps
11.0 M	EUR	24-04-2015	24-04-2025	10.0	Fixed (1.285%)
50.0 M	EUR	24-06-2015	24-06-2020	5.0	EURIBOR 3M + 69bps
500.0 M	PLN	17-09-2015	10-09-2020	5.0	WIBOR 3M + 110bps

Key news regarding mBank Group
mBank's analysts see 2016 budget bill carries risks on revenue side


In mid-September Polish government approved the draft of 2016 budget bill. It assumes a sizable growth in revenues compared to 2015 and an increase in expenditure limit. Maximum deficit also could rise. In the current, conservative version, expenditure side should not be a reason for concern because it is to a large extent controlled by the Ministry of Finance; the same applies to debt service costs. However, fulfilling revenue targets seems much more dubious.

Firstly, macroeconomic assumptions are quite optimistic: GDP growth at 3.8% boosted mainly by private consumption (which moves to 3.7% from 3.0% YoY), and average inflation at 1.7%. In the opinion of mBank's macroeconomists, this forecast carries negative risk not only when it comes to growth rate but growth structure as well.

Secondly, downward inflationary risks could result in lower than expected nominal macroeconomic aggregates, which are the base for the largest category of budget revenues - VAT. Combination of deflation and nominal GDP growth rate at crisis levels means that inflow of indirect tax revenues is consistently disappointing.

Thirdly, non-tax revenues also include certain bold assumptions. While sustaining this year's levels of dividends from state-controlled companies is at least controversial (taking into account total effect of collapse of resources prices for mining, energy and petroleum companies), the assumption of the National Bank of Poland profit (PLN 3.2 billion) has to be analysed very carefully. In recent years budgets assumed no payments from the central bank, which often resulted in sizeable support for the budget. In 2011 and 2012 NBP's profit rescued the budget – there is no such margin for error in 2016 now.

To summarize, budget bill in current shape carries much risk on the revenue side and it could be amended in 2016. There are two basic scenarios that would result in significant budget changes: (1) either economic situation will deteriorate substantially, (2) or in the aftermath of October elections the newly formed government could adjust fiscal policy to the line of its election program.

mBank awarded in the rankings of Newsweek and Forbes



In September Newsweek and Forbes magazines announced the results of their rankings for the most user-friendly institutions in the Polish banking market and the best bank for business owners. This year, banks won a total of four awards - three in the "Newsweek Friendly Bank" competition (for the best traditional, internet and mobile banking) and one - by Forbes magazine - for the financial institutions that to the highest degree meet the needs of entrepreneurs. The survey to recognize the best banks in the plebiscite was conducted by Millward Brown company.

The employees of the institute, as mystery shoppers, anonymously incorporated the role of bank customers and assessed the quality level and standard of customer service, both in branches and through remote contact channels. In addition, the Forbes ranking included an evaluation of the product range for the entrepreneurs.

mBank maintained a strong position from previous years, with the second place in two categories: internet and mobile banking and the third place among traditional banks offering the highest quality of service. The Bank was also appreciated by Forbes magazine with the second position in the general ranking "The best bank for businesses", gaining high scores for the quality of customer service in the sector of small and medium-sized enterprises.

mBank's Brokerage House recognised as the 'Top Broker/Investment Bank for CEE'



mBank's Brokerage House (Dom Maklerski mBanku) was selected as the best institution for the category 'Top Broker/Investment Bank for CEE' in the first edition of CEE Capital Markets Awards.

The competition aims to recognize listed firms and the full ecosystem of support, including lawyers, international brokers, bankers, IR professionals, and auditors, for their contribution to the development of capital markets in Central and Eastern Europe.

The first annual CEE Capital Markets Awards Gala was held on September 17, 2015, in Warsaw. A total of 126 nominations were received from Poland, Romania, Ukraine, Hungary, the Czech Republic, Lithuania, Estonia, Bulgaria, Austria, Germany, Slovenia and China. The final short-list included 83 companies, which competed for the top-prize in 18 categories.

Forthcoming corporate access events

- October 7-8, 2015: J.P. Morgan – Credit and Equities Emerging Market Conference
- October 13, 2015: ING Financials Conference in Warsaw

Forthcoming reporting events

- October 29, 2015: mBank Group Financial Report for Q3 2015
- February 4, 2016: mBank Group Financial Report for Q4 2015
- March 4, 2016: Annual Financial Report of mBank Group for 2015

mBank's shares:

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 238 537
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-30, WIG-20, WIG-Banks

**mBank Analyzer
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