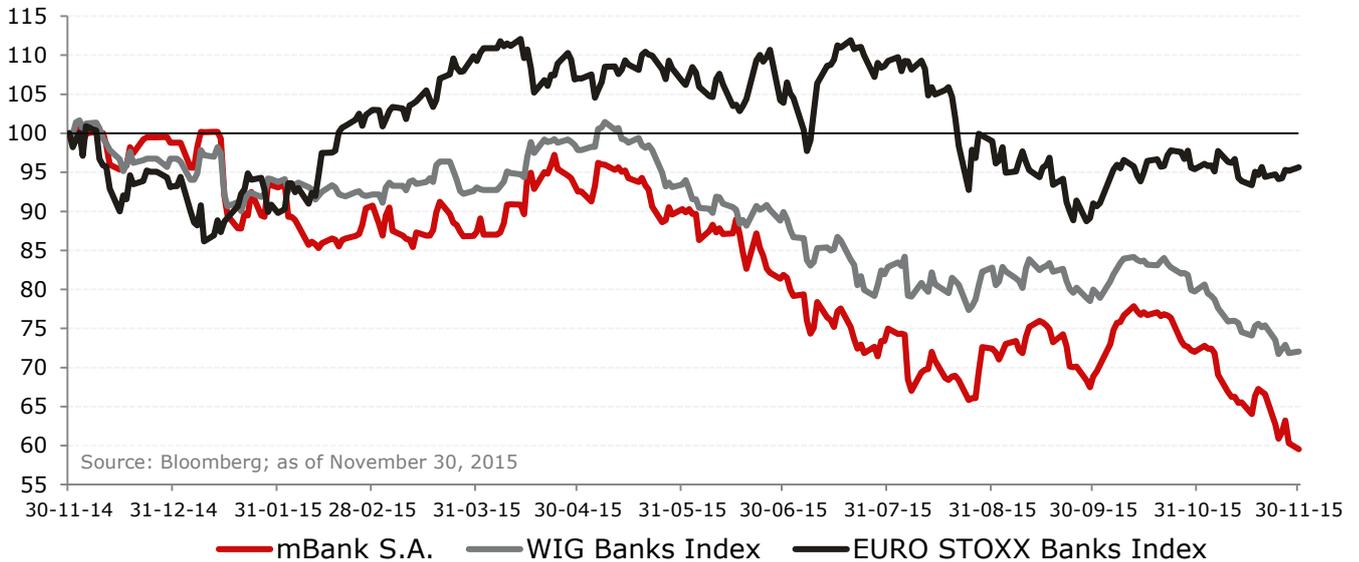


**Share price performance summary**

In November mBank's share price decreased by 17.31%, while the WIG Banks index declined by 9.67%. The EURO STOXX Banks Index went up by 0.25% 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%	-39.73%
WIG Banks Index	-8.43%	-0.66%	-3.78%	-3.42%	-11.04%	-25.54%
EURO STOXX Banks Index	-9.85%	-4.89%	+17.20%	-4.91%	-12.39%	+2.60%

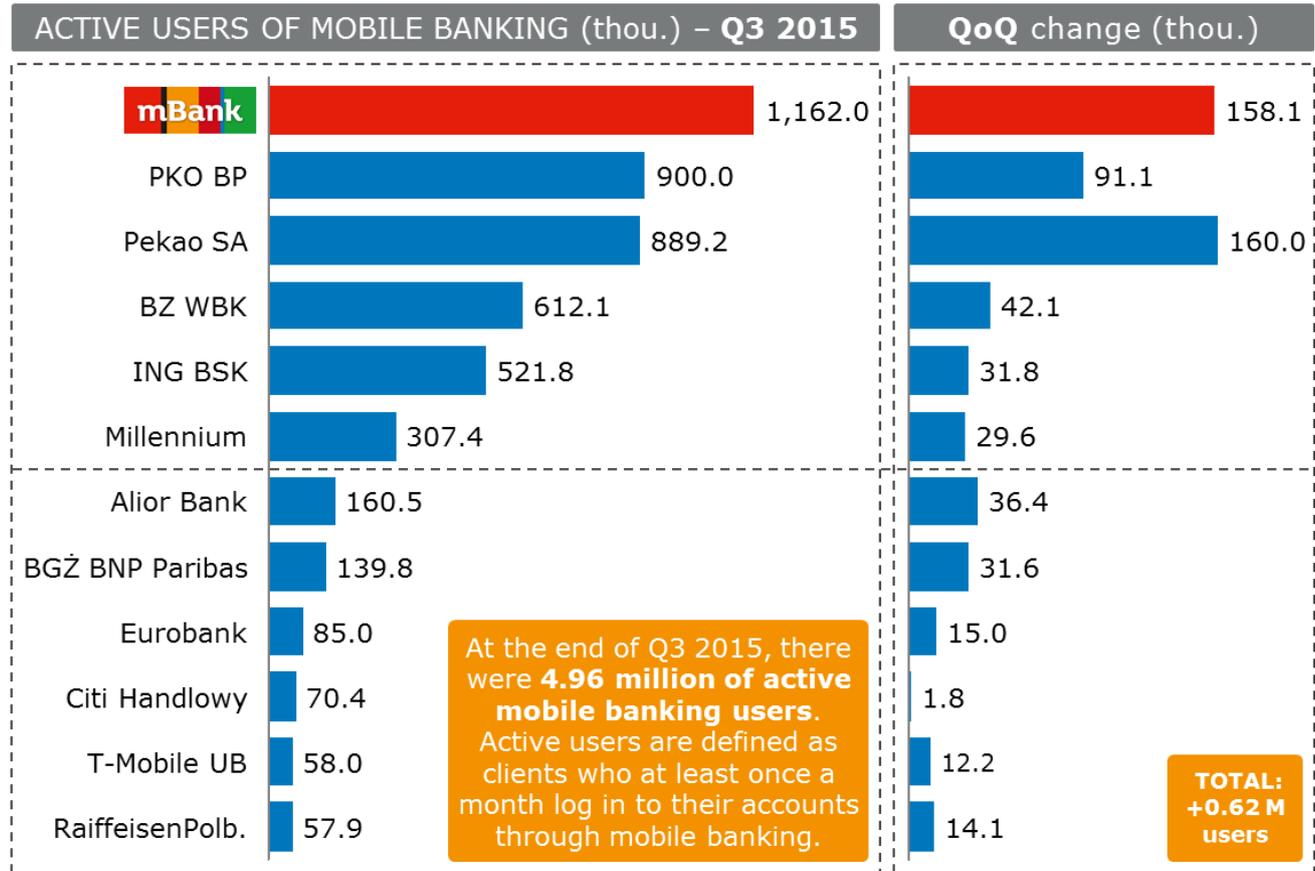
**Consensus estimates for mBank Group's results**

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	2 467	-1.0%	2 702	+9.5%
Net F&C income	835	902	866	-4.0%	922	+6.5%
<b>Total income</b>	<b>3 674</b>	<b>3 939</b>	<b>3 989</b>	<b>+1.3%</b>	<b>4 157</b>	<b>+4.2%</b>
<b>Costs</b>	<b>-1 678</b>	<b>-1 771</b>	<b>-1 893</b>	<b>+6.9%</b>	<b>-2 047</b>	<b>+8.1%</b>
LLPs	-478	-516	-467	-9.5%	-545	+16.6%
<b>Profit before tax</b>	<b>1 518</b>	<b>1 653</b>	<b>1 629</b>	<b>-1.4%</b>	<b>1 537</b>	<b>-5.7%</b>
<b>Net profit</b>	<b>1 206</b>	<b>1 287</b>	<b>1 289</b>	<b>+0.2%</b>	<b>1 158</b>	<b>-10.2%</b>
Loans	68 210	74 582	80 859	+8.4%	86 093	+6.5%
Assets	104 283	117 986	124 415	+5.4%	130 543	+4.9%
Deposits	61 674	72 422	77 585	+7.1%	83 369	+7.5%

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, Pekao IB, Trigon DM, Vestor DM.

Note: Current consensus does not include an additional contribution to the Bank Guarantee Fund (PLN 141.3 million) to cover the cost of payments to deposit holders of bankrupt Cooperative Bank in Wołomin made at the end of November 2015. This will have a negative impact of PLN 114.4 million on the net profit of mBank for Q4 2015.

**Special topic: Almost 5 million clients of Polish banks actively use mobile banking**



Source: PRNews.pl report (Market of mobile banking – Q3 2015).

**Key news regarding mBank Group**

**mBank's analysts see monetary policy to be determined by a paradigm shift, not economic fundamentals**



A set of the latest data confirmed the status quo in the economy. Growth remains stable and signs of weakness pop up in various areas of activity from time to time. The unchanged monetary policy embodied in expected rate cuts in 2016. A neutral scenario is being strengthened by the prospective desynchronization of monetary policy on both sides of the Atlantic (Fed – rate hikes in December, ECB – further easing).

According to the flash estimate, GDP grew by 3.4% YoY in 3Q'15, slightly above market expectations. The seasonally adjusted data suggest that the economy expanded by 0.9% QoQ. Final reading of inflation at -0.7% came slightly lower than the flash one. Therefore, October marked the sixteen consecutive month of deflation. Food prices went slightly up by 0.3% MoM, while fuel prices went down by 2.2% MoM. Core inflation raised slightly from 0.2% to 0.3%, but price momentum stays stubbornly low. The moment price growth turns positive is going to fall in December or January.

Industrial output grew by 2.4% YoY in October. After adjusting for seasonal and calendar factors, monthly increase in production is a modest 0.8%. The momentum of industrial production is thus still quite low, yet high enough to push output to new all-time highs. Bear in

mind that this happened in rather challenging environment, including fears of fallout from VW scandal and sluggish global economy still persist.

Retail sales went up by 0.8% YoY in October. The doldrums seem to be somehow inherent in the Polish economy lately. Although wages (nominal and real) are running high and fuel prices stay low, consumers prefer to forego consumption of goods and consume more services or save for a rainy day instead. As a consequence, consumption is growing close to 3% regardless of growth of retail sales.

mBank's macroeconomists think that the policy of the new government can offer consumption a boost (500+ program and some planned changes in accounting standards with regard to investment activity). Therefore, private consumption is going to stay not only the pillar of growth but it can be responsible for maintaining flat profile of GDP growth in the coming months.

Average wage growth slowed from 4.1% to 3.3% in October. This result is a mixture of both base effect from the previous year and lower number of working days. The nominal wage trend has stabilized at around 3.5-4%. Structural and demographic changes are still strengthening employees position on the labour market. Economic deceleration is weaker than expected and could be balanced with expansion of fiscal and monetary policy. Corporate employment increased by 1.1% on an annual basis. On a monthly basis employment grew by 14 thousand jobs and this was the best October since 2007.

Interest rate cut expectations hinge on new MPC nominees (dovish) amid slow global economy, low inflation and considerations concerning European monetary policy synchronization. mBank's analysts forecast cuts of 50 pbs, which are already priced in. Volatility of the short end of the yield curve is set to be rather low. Only big time events can turn rate cuts expectations around.

### **mBank's marketing platform awarded at Gartner Symposium ITxpo 2015**



During the Gartner Symposium ITxpo 2015 in Barcelona, the project of mBank's direct marketing platform won for the category 'Most Innovative Application of Digital Technology to Grow the Business' in the Financial Cool Business Awards contest.

The bank's solution was recognized as the best platform allowing for establishing the long-term relationships with clients by adjusting to their habits and needs. Also, mBank's mobile banking application was ranked high in its category.

This is another award for mBank's marketing platform this year. In October mBank won in an international contest organised by Efma and Accenture for the most innovative banking projects.

Gartner Inc. is an American research and advisory firm specializing in the area of use and management of modern IT technologies. It organizes symposia around the world, which gather CIOs and senior IT executives and provide a strategic view on trends that shape IT and business. This year for the first time the awards for the market leaders of IT industry were also granted.

**Forthcoming corporate access events**

- December 2, 2015: Wood's Winter in Prague – Emerging Market
- December 3, 2015: Mini roadshow with OFE, TFI – Warsaw headquarter

**Forthcoming reporting events**

- 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	42 238 924
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](#)

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