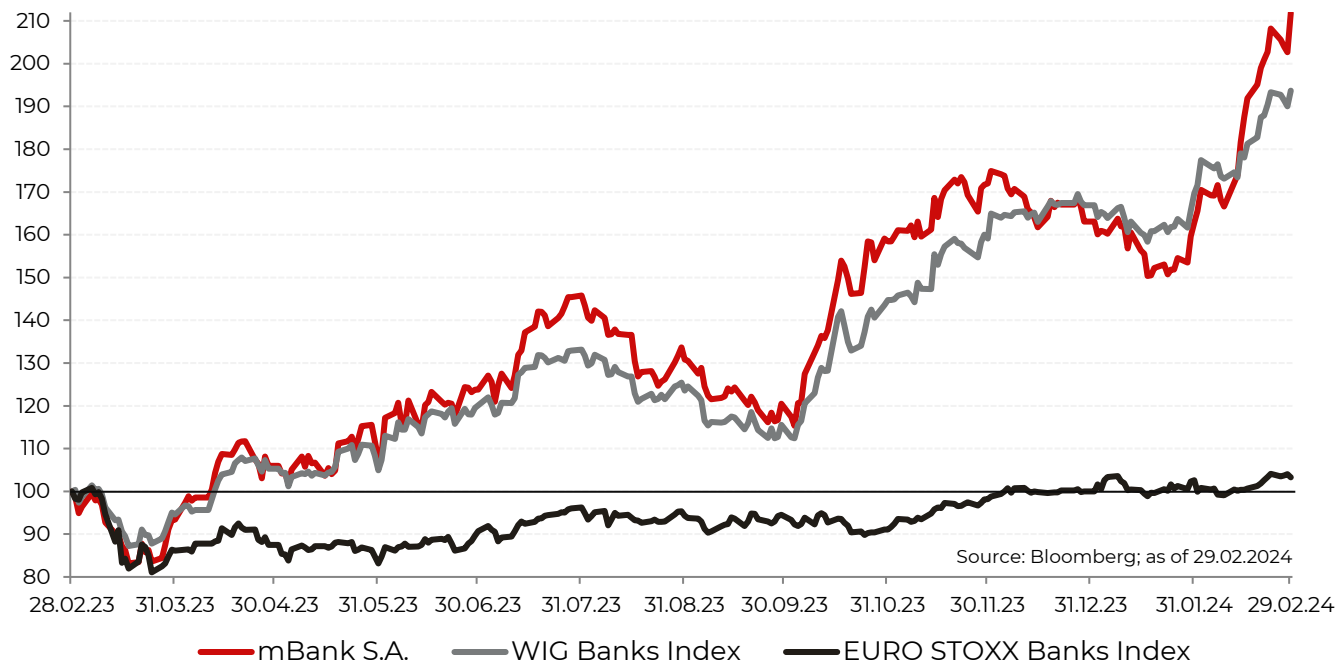


### Share price performance summary

In February, mBank's share price surged by 30.10%, while the WIG-Banks index rose by 14.17%. The EURO STOXX Banks Index went up marginally by 0.66% in the same period.

#### Last 12 months – chart



change in the period	1Q'23	2Q'23	3Q'23	4Q'23	2023	2024 YtD
mBank	+3.51%	+32.54%	-2.66%	+35.34%	+80.74%	+29.91%
WIG Banks Index	+0.27%	+27.01%	-3.83%	+44.48%	+76.94%	+16.03%
EURO STOXX Banks Index	+6.35%	+5.30%	+4.19%	+5.84%	+23.49%	+3.27%

### Consensus estimates for mBank Group's results

Financials (in PLN million)	2022	2023	2024E		2025E	
			estimate	Δ vs. 2023	estimate	Δ vs. 2024E
Net interest income	5,924	8,873	8,245	-7.1%	8,240	-0.1%
Net fee income	2,120	1,916	2,034	+6.2%	2,104	+3.4%
<b>Total income</b>	<b>7,857</b>	<b>10,802</b>	<b>10,380</b>	<b>-3.9%</b>	<b>10,458</b>	<b>+0.7%</b>
<b>Total costs</b>	<b>-3,319</b>	<b>-3,074</b>	<b>-3,375</b>	<b>+9.8%</b>	<b>-3,610</b>	<b>+7.0%</b>
LLPs & FV change	-849	-1,106	-980	-11.4%	-976	-0.4%
CHF legal provisions	-3,112	-4,908	-1,269	-74.2%	-254	-80.0%
<b>Operating profit</b>	<b>576</b>	<b>1,714</b>	<b>4,773</b>	<b>+178.4%</b>	<b>5,635</b>	<b>+18.1%</b>
<b>Net result</b>	<b>-703</b>	<b>24</b>	<b>2,729</b>	<b>113x</b>	<b>3,555</b>	<b>+30.3%</b>
Net loans	120,183	113,521	119,360	+5.1%	125,862	+5.4%
Assets	209,892	226,981	237,123	+4.5%	250,655	+5.7%
Deposits	174,131	185,467	195,005	+5.1%	204,801	+5.0%

Contributing research by: BOŚ Brokerage, Citi Research, Erste Group, Ipopema, Pekao Brokerage, PKO Securities, Santander Brokerage, Raiffeisen, Trigon DM, Wood & Company.

### Special topic:

#### **mBank Group posted record-high total income for 2023**

In 2023, mBank Group achieved the highest operating result in history. Its total income reached a record level of PLN 10.8 billion, driven by net interest income of nearly PLN 8.9 billion. Net interest margin improved to as much as 4.2%, while return on equity (ROE) of Core Business (mBank Group excluding FX Mortgage Loans segment) amounted to 40.0%.

Net result of mBank Group was hit by elevated costs of legal risk related to FX mortgage loans. High provisions strengthened the protection against litigations, evidenced by the coverage ratio of active CHF portfolio rising to 99.5%, significantly above market average. The bank has also successfully continued the settlement programme launched in Q4 2022. mBank presented the proposal to all clients holding an active CHF loan and signed over 13,000 settlements with borrowers by the end of 2023.

mBank Group's capital ratios are well above the regulatory requirements. The surplus over the minima imposed by the Polish FSA at the end of 2023 increased to 5.6 p.p. for the Tier I Capital Ratio and 5.9 p.p. for the Total Capital Ratio. mBank also holds ample liquidity position. Its LCR amounted to 217%, while NSFR was at 157%, confirming the stable and safe situation.

More information is available in mBank Group's Annual Report posted [HERE](#).

### Key news regarding mBank Group

#### **Polish GDP increased by 1.0% YoY in Q4 2023**



GDP in Poland increased by 1.0% YoY in Q4 2023, according to Statistics Poland's preliminary estimate. Ultimately, private consumption fell by 0.1% YoY, and investments turned out to be very strong, growing by 8.7%. The contribution of inventories was again negative (-5.4 p.p.), which was compensated by the positive effect of net exports (+3.3 p.p.). mBank's analysts expect the growth to reach 3.5% YoY in 2024 as the economy should accelerate steadily, amid a new long-term investment cycle.

Inflation declined to 3.9% YoY (+0.4% MoM) in January 2024, compared to 6.2% YoY (+0.1 MoM) recorded in December 2023. The reading was driven by rising prices of food and non-alcoholic beverages (+0.9% MoM), energy (+0.4% MoM), but also lower prices of fuel (-2.3% MoM). Core inflation eased up to 6.2% YoY (+0.3% MoM). However, it should be noted that the presented data are based on estimates according to the old weighting system, which is expected to change in the future. Bearing in mind the trend that has persisted in recent months, analysts expect a further decrease. This means that overall inflation should fall to around 2.5% YoY in March and April. The situation is going to be similar for core inflation, which is expected to slow down in the direction of 4-4.5% YoY, according to mBank's economists.

Industrial production rose by 1.6% YoY in January 2024. It continued to follow the established trend. Mining production (upwards) and energy production (downwards) changed in opposite directions, which along with a slight decrease in manufacturing production resulted in a negative dynamics of total production. Producer Price Index (PPI) sank by 9.0% YoY in January 2024, although it was largely driven by the revision of data for December 2023 (from -6.9% to -6.4%). Despite a modest increase of prices in autumn, the trend has remained declining since the beginning of 2023. Base scenario of mBank's analysts predicts that domestic currency will remain strong, which should support the disinflation in producer prices (PPI).

Retail sales expanded by 3.0% YoY in January 2024, positively surprising the market, as the consensus had expected a growth of 1.4% YoY after disappointing December. Looking at the

detailed data, increases in the previous month were noted in all categories except for clothing and pharmaceuticals. However, the decrease in the latter was not extraordinary, as it amounted to only 0.5% MoM. The situation was quite different in the case of clothing, which in January showed a drop of as much as 19.0% MoM. It was the worst result since spring 2021. On the other side of the list was the category "other", which recorded a jump of more than 19% MoM.

Average employment fell by 0.2% YoY in January 2024, which was broadly in line with consensus. In terms of monthly development, this translated into an increase of 20.4 thousand jobs. On the other hand, wages surprised positively, rising by 12.8% YoY, and exceeding the market expectations. After a significant slowdown in wage growth in December, January brought a reversal of losses. High nominal dynamics and a relatively strong decline in annual inflation resulted in a material uptick in real wages.

### **mBank's Foundation designated over PLN 3 million to promotion of mathematics**

In 2023, mFoundation allocated PLN 3,045,600 to its statutory activities connected with mathematics education in Poland. Grants for educational projects were awarded to 450 entities, including public schools and kindergartens, non-governmental organisations, higher education institutions and libraries.

mBank's Foundation has continued its two flagship programmes: mPower (mPotęga) and Growing with Maths (Rosną z matematyką). *mPower* was organized for the tenth time in 2023. It promoted intriguing aspects of mathematics, supported students and teachers in exploring its depths, and rewarded unconventional approach to mathematical education. *Growing with Maths* is a programme for kindergartens. It was conducted for the 3rd time in 2023. The grants funded hundreds of hours of creative maths classes for the youngest school children.

The plans of mFoundation for 2024 include further partnership programmes, ongoing publication of educational materials and organization of more events promoting education.

mBank's Foundation has been implementing the M for Mathematics (m jak matematyka) strategy since 2013. Over the last decade, it has already allotted PLN 27 million to this purpose. It was associated with a belief that mathematics provides the foundation for logical thinking and is vital to understanding the world.

More information on statutory goals of mBank's Foundation and its activity in 2023 is included in the Management Board Report on Performance of mBank S.A. Group in 2023 available [HERE](#).

**Forthcoming corporate access events**

08.04.2024	3rd Financial Conference organized by Pekao Brokerage in Warsaw
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**Forthcoming reporting events**

30.04.2024	mBank Group Financial Report for Q1 2024
01.08.2024	Semi-annual Financial Report of mBank Group for H1 2024
31.10.2024	mBank Group Financial Report for Q3 2024

**mBank's shares:**

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 465 167
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-20, WIG-30, WIG-Banks, WIG-ESG

**For New Investors  
ESG Annual Report**Newsletter archive – [click here](#)

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