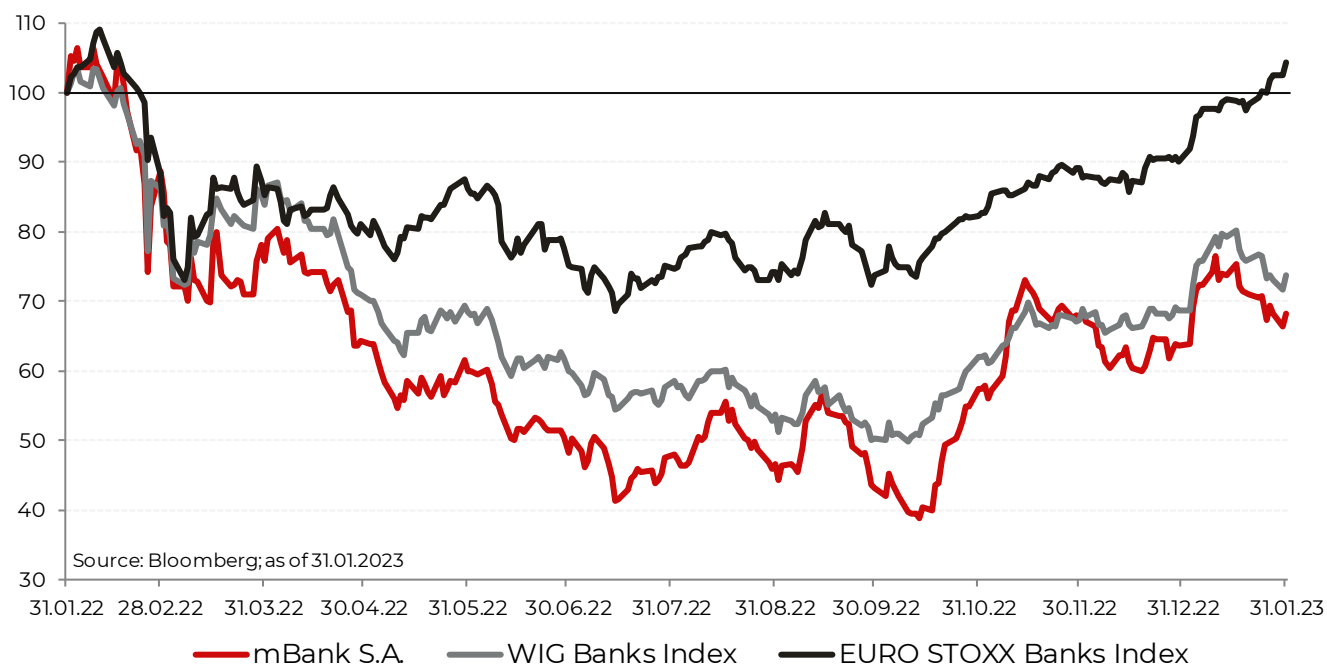


## Share price performance summary

In January mBank's share price went up by 7.36%, while the WIG-Banks index increased by 7.49%. The EURO STOXX Banks Index surged by 15.93% in the same period.

### Last 12 months – chart



change in the period	2021	1Q'22	2Q'22	3Q'22	4Q'22	2022
mBank	+141.74%	-18.47%	-36.41%	-10.77%	+47.70%	-31.67%
WIG Banks Index	+81.32%	-11.54%	-28.62%	-16.22%	+36.79%	-27.64%
EURO STOXX Banks Index	+36.15%	-9.62%	-11.82%	-1.91%	+22.08%	-4.56%

## Consensus estimates for mBank Group's results

Financials (in PLN million)	2020	2021	2022E		2023E	
			estimate	Δ vs. 2021	estimate	Δ vs. 2022E
Net interest income	4 009	4 104	5 835	+41.4%	7 231	+23.9%
Net fee income	1 508	1 890	2 151	+15.2%	2 196	+2.1%
<b>Total income</b>	<b>5 867</b>	<b>6 111</b>	<b>7 852</b>	<b>+28.5%</b>	<b>9 618</b>	<b>+22.5%</b>
<b>Total costs</b>	<b>-2 411</b>	<b>-2 457</b>	<b>-3 325</b>	<b>+35.3%</b>	<b>-2 953</b>	<b>-11.2%</b>
LLPs & FV change	-1 293	-879	-885	+0.8%	-1 459	+64.8%
<b>Operating profit</b>	<b>1 141</b>	<b>18</b>	<b>636</b>	<b>36.2x</b>	<b>3 713</b>	<b>5.8x</b>
<b>Net result</b>	<b>104</b>	<b>-1 179</b>	<b>-649</b>	<b>-44.9%</b>	<b>1 869</b>	<b>-/+</b>
Net loans	108 567	118 055	124 306	+5.3%	125 647	+1.1%
Assets	178 872	199 539	206 595	+3.5%	212 638	+2.9%
Deposits	137 699	159 935	171 764	+7.4%	174 634	+1.7%

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

Note: Results for 2020 and particularly for 2021 were negatively impacted by provisions for legal risk related to mortgage loans in foreign currencies (PLN 1,021.7 million and PLN 2,758.1 million, respectively).

### Special topic:

#### **Growing number of settlements with CHF borrowers**

mBank's clients, having loans in CHF, have already signed over 2,800 settlements. They involved the conversion of an existing CHF contract into PLN and the reduction of the outstanding capital. Moreover, the terms of redemption are set individually and subject to negotiations. The converted loan will carry a variable or periodically fixed interest rate at a much more attractive level (currently 4.99%) than available in the standard offer. The settlement allows customers to definitively eliminate the FX risk and the interest risk for up to 5 years. The offers are going to be directed to all clients with an active CHF mortgage loan until the end of Q2 2023.

### Key news regarding mBank Group

#### **mBank's analysts estimate the GDP growth to have reached 2.2-2.5% YoY in Q4 2022**



According to the preliminary estimate published by the Statistics Poland, the increase of real gross domestic product (GDP) in 2022 was 4.9% YoY, against the increase of 6.8% in 2021. This annual figure suggests that growth in Q4 2022 has been higher than previously forecasted. Although the economic situation is seen to worsen this year, the GDP will increase starting from Q2 2023 on, according to mBank's analysts. The dynamics for whole 2023 is expected to decline to 0.4% YoY.

Inflation decelerated to 16.6% YoY in December 2022, according to data of Statistics Poland, from 17.5% YoY recorded in November. For the full year of 2022, inflation amounted to 14.3% YoY. Slower acceleration of food prices (1.4% MoM) and lower prices of energy (-2.0% MoM) contributed the most to the reading in December. They are expected to continue to shape the inflation in 2023. Coal prices, the key driver of energy prices, deflated MoM. mBank's analysts believe inflation shall accelerate in January and February. Although then it is anticipated to decelerate, it will not slow down to single digit values. It is expected to reach 14.2% on average in 2023 and 10.1% YoY at the end of 2023. The Monetary Policy Council kept the interest rates unchanged in January. mBank's analysts expect them to remain stable until 2024.

Industrial production disappointed the market with a reading of 1.0% YoY in December 2022, below the consensus. Mining (-9.5% MoM) and production of energy (10.5% MoM) contributed the most to the reduction of the reading. Mining gradually returns to the long-term lower trend after temporary hikes. Statistics Poland revised down the value of production of energy for November, which led consensus to overestimate prognosed value for December. Nevertheless, industrial processing remained above the long-term trend and on a monthly basis it accelerated. Producer Price Index slowed down slightly to 20.4% YoY.

Retail sales grew by 0.2% YoY (-4.8% MoM, seasonally adjusted) in December 2022, below the consensus of 1.4% YoY. The most noteworthy increase in retail sales was recorded in the fuel category (6.6% MoM). It was mostly driven by lower prices of coal, which is also comprised in this category. mBank's analysts believe consumers bought more fuel than they needed in December, in fear of rising prices as a consequence of reintroduction of VAT. On the other hand, the seasonally adjusted reading was lowered by sales of food, cloths, press and books, as consumers purchased those goods before Christmas. Unsatisfying growth of wages also contributed to the worse reading of retail sales.

Employment advanced by 2.2% YoY in December 2022. However, mBank's analysts think that the dynamics should not permanently decelerate to single digit level. The number of FTEs decreased by 2.8 thousand MoM. Wages rose by 10.3% YoY in December 2022, below the consensus which

expected the value to reach above 12%, given anticipated bonus payments due to the inflation. Despite this lower reading, mBank's analysts still believe the long-term trend for salaries will adjust after volatile changes observed in 2022. They anticipate growth of wages to amount to 12-13% YoY in 2023. It will be supported by stipulated inflation.

#### **mBank's CFO appointed as new Head of Group Finance at Commerzbank**

Andreas Böger, Vice-President of the Management Board, Chief Financial Officer has resigned effective on 30 April 2023. He will take on the position of Divisional Board Member responsible for Group Finance at Commerzbank. The Executive and Nomination Committee of the Supervisory Board recommended Pascal Ruhland for the role of Vice-President of the Management Board, Chief Financial Officer. The appointment of Pascal Ruhland to the bank's Management Board is subject to a positive assessment of the candidate's suitability. Mr. Ruhland is currently Divisional CFO for the Corporate Clients Segment at Commerzbank AG. He also serves as a member of the Supervisory Board of CommerzTrust GmbH. His academic background includes executive education programs at Stanford University Graduate School of Business, University of Chicago Booth School of Business and Indian Institute of Management Bangalore.

#### **mBank and the Great Orchestra of Christmas Charity play together for the sixth time**

The Great Orchestra of Christmas Charity plays for the 31st time this year. For mBank, it is the 6th anniversary of cooperation with the foundation as one of its strategic partners and sponsors. The 31st Grand Finale of the Great Orchestra of Christmas Charity took place on January 29, 2023. This year, the WOŚP foundation is raising money to fight sepsis and provide hospitals with modern diagnostic equipment. As usual, mBank also contributes financially to the payments done by its clients. It again prepared a unique payment card with a special design for this occasion. Moreover, mBank has implemented a dedicated "heart" icon in the mobile application to facilitate quick donations and paid PLN 1 for every click on it. Thanks to the involvement of its clients, mBank added PLN 2 million to the fundraiser in January 2023.

**Forthcoming corporate access events**

04-05.04.2023	2nd Financial Conference organized by Pekao Brokerage in Warsaw
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**Forthcoming reporting events**

09.02.2023	Selected non-audited financial data of mBank Group for Q4 2022
02.03.2023	Annual Financial Report of mBank Group for 2022
28.04.2023	mBank Group Financial Report for Q1 2023
28.07.2023	Semi-annual Financial Report of mBank Group for H1 2023
31.10.2023	mBank Group Financial Report for Q3 2023

**mBank's shares:**

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 433 495
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-20, WIG-30, WIG-Banks, WIG-ESG

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