

Share price performance summary

In November, mBank's share price increased by 8.54%, while the WIG-Banks index rose by 9.94%. The EURO STOXX Banks Index went up by 7.81% in the same period.

Last 12 months – chart



change in the period	4Q'22	2022	1Q'23	2Q'23	3Q'23	2023 YtD
mBank	+47.70%	-31.67%	+3.51%	+32.54%	-2.66%	+90.61%
WIG Banks Index	+36.79%	-27.64%	+0.27%	+27.01%	-3.83%	+68.68%
EURO STOXX Banks Index	+22.08%	-4.56%	+6.35%	+5.30%	+4.19%	+21.22%

Consensus estimates for mBank Group's results

Financials (in PLN million)	2021	2022	2023E		2024E	
			estimate	Δ vs. 2022	estimate	Δ vs. 2023E
Net interest income	4,126	5,924	8,399	+41.8%	7,757	-7.6%
Net fee income	1,868	2,120	2,033	-4.1%	2,108	+3.7%
Total income	6,111	7,857	10,443	+32.9%	9,986	-4.4%
Total costs	-2,457	-3,319	-3,004	-9.5%	-3,299	+9.8%
LLPs & FV change	-879	-849	-997	+17.4%	-1,067	+7.0%
Operating profit	18	576	3,033	+426%	4,487	+47.9%
Net result	-1,179	-703	1,080	-/+	2,530	+134%
Net loans	117,677	120,183	118,306	-1.6%	122,713	+3.7%
Assets	198,373	209,892	220,110	+4.9%	231,498	+5.2%
Deposits	157,072	174,131	182,154	+4.6%	189,483	+4.0%

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

Note: Results for 2021 and 2022 were negatively impacted by high provisions for legal risk related to mortgage loans in foreign currencies (PLN 2,758 million and PLN 3,112 million, respectively).

Special topic:

Brand new enhancements in mBank's mobile application

Consumers limit compulsive purchases, outline their budget easier and follow it, when they have access to an ongoing review of their expenditures, according to the research of American Consumer Financial Protection Bureau. Supporting financial health of the clients is one of mBank's strategic goals. Understanding personal finance is fundamental for achieving it. Therefore, mBank developed and launched Personal Financial Management (PFM) functionalities in its mobile application. Since the initial dispatch in April 2022, the scope of functions has been constantly expanded. PFM functionalities were vastly well-received, with nearly 40% of mBank's clients using them regularly in the application. Now, access to them is even easier. Under the latest update, PFM was revamped into a convenient widget to be found on the main screen. The customizable widget displays key elements of PFM such as a review of expenses and inflows in the current month, a comparison of operations with the previous month and the largest expense position. Moreover, the functionalities are adjacent to the transaction history, constituting a clear link to them.

Key news regarding mBank Group

Polish Gross Domestic Product increased by 0.5% in Q3 2023



Polish GDP grew by 0.5% YoY in Q3 2023. Consumption improved by 0.8% YoY, constituting a positive surprise to the market which had expected a decline of 0.5% YoY. mBank's analysts believe the solid data to prevail, backed by an increase of minimal wage and valorisation of "500+" benefit for children. Investment rose by 7.6% YoY. Although the reading suggests that the momentum declines, investment lingers above the long-term pre-pandemic trend. mBank's analysts expect GDP in subsequent quarters to improve driven by robust domestic demand.

Inflation eased up to 6.6% YoY (0.3% MoM) in October 2023, compared to 8.2% YoY (-0.4% MoM) recorded in September 2023. In November 2023, it amounted to 6.5% YoY (0.7% MoM), according to Statistics Poland's flash estimate. The better-than-anticipated reading in October was driven by rising price of food (0.4% MoM), energy (0.2% MoM), but also lower price of fuel (-4.2% MoM). Although core inflation decelerated to 8.0% YoY (0.6% MoM) in October 2023, mBank's analysts foresee it to stagnate at 0.5-0.6% MoM in the coming quarters as a result of slowing disinflation processes along with reviving economy. Anti-inflationary shields will play the key role in shaping the growth of inflation in the next months, according to mBank's analysts. They forecast the bottom point to be recorded at the turn of Q1 and Q2 2024.

Industrial production accelerated to 1.6% YoY in October 2023, in line with consensus. In monthly terms, its seasonally adjusted level edged up by 0.3%. The readings hover below values recorded at the beginning of 2022. Industrial processing slipped by 0.5% MoM, while production of energy surged by 3.3% MoM. Perspective of industrial production's contribution to the GDP growth in the coming quarters is bleak. Producer Price Index (PPI) shrank by 4.1% YoY (-0.5% MoM) in October 2023, reduced primarily by FX effects (stronger local currency), but also by stunted prices of coke and refined petroleum products. As an outcome of further appreciation of PLN and depreciation of USD, Producer Price Index will extend declines. Nonetheless, slowdown of global economy poses a downside risk for the pace of disinflation processes.

Retail sales advanced by 2.8% YoY in October 2023, representing a positive annual dynamic for the first time this year. The reading also surpassed expectations of the analysts (who anticipated

an increase by 1.4% YoY), supporting the likelihood of a scenario which assumes recovering consumption. In monthly terms, seasonally adjusted retail sales rose by 3.2% MoM. The key driver was sale of fuel (+9.1% MoM), which refused to retract despite widespread expectations after government-backed lower prices recoiled. The category comprises sale of coal, which additionally supported its upward trend. Between warm September and colder October, sale of clothes and shoes (+14.5% MoM) also significantly contributed to the dynamic. Although sale of food in October 2023 was below par, it was dragged down by base effects resulting from disbursement of additional "14th pension" payment in the preceding month. Falling inflation, fiscal interventions and good consumer sentiment should support growth of retail sales.

Employment edged down by 0.1% YoY in October 2023, roughly in line with the consensus (at 0.0% YoY). The number of FTEs declined by 2 thousand MoM. Compared to the corresponding period in the previous years, the reading disappoints. Nevertheless, forthcoming economic recovery should incite enterprises to increase employment, according to mBank's analysts. Wages in October 2023 increased by 12.8% YoY (+1.2% MoM, seasonally adjusted). mBank's economists point to the acceleration of salaries, after the category seemingly slackened during summer holiday. Despite their volatile character, recent development of real wages has remained positive. mBank's analysts believe that nominal growth of wages will carry on in the coming months. It will be further supported by the payment of bonuses and premiums promised by the newly elected government during their pre-election campaign, increase of salaries in the public sector and minimal wage hike announced for 2024.

mBank recognized as Best Private Bank in Poland 2023

International panel of experts awarded the Best Private Bank in Poland title to mBank. The competition is organized by British The Banker magazine and Professional Wealth Management magazine published by Financial Times.

The jury appreciated mBank's dedication to maintaining superb relations with clients and excellent financial results of its investment banking. mBank firmly believes in effective communication, particularly accessible in digital channels, as expected from a mobile-first bank. The jury also acknowledged mBank's endeavors pertaining to ESG in the retail investment area.

The award is the second one this year mBank received for its private banking services. Previously, it scored first place in the Euromoney Global Private Banking Awards for the best domestic private bank, predominantly thanks to its comprehensive approach to wealth management and state-of-the-art technological solutions.

Forthcoming corporate access events

05.12.2023	WOOD's Winter Wonderland - EME Conference in Prague
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Forthcoming reporting events

08.02.2024	Selected non-audited financial data of mBank Group for Q4 2023
01.03.2024	Annual Financial Report of mBank Group for 2023

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

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For any further information, please contact the IR team.

E-mail address: investor.relations@mbank.plmBank S.A.
Investor Relations
ul. Prosta 18
00-850 Warszawa