

### Share price performance summary

In June mBank's share price dropped by 19.32%, while the WIG-Banks index declined by 12.40%. The EURO STOXX Banks Index went down by 12.75% in the same period.

#### Last 12 months – chart



change in the period	3Q'21	4Q'21	2021	1Q'22	2Q'22	2022 YtD
mBank	+26.46%	+5.40%	+141.74%	-18.47%	-36.41%	-48.15%
WIG Banks Index	+16.95%	+12.83%	+81.32%	-11.54%	-28.62%	-36.86%
EURO STOXX Banks Index	+7.10%	+0.13%	+36.15%	-9.62%	-11.82%	-20.30%

### 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	5 753	+40.2%	6 069	+5.5%
Net F&C income	1 508	1 890	1 995	+5.6%	2 040	+2.2%
<b>Total income</b>	<b>5 867</b>	<b>6 111</b>	<b>7 921</b>	<b>+29.6%</b>	<b>8 308</b>	<b>+4.9%</b>
<b>Total costs</b>	<b>-2 411</b>	<b>-2 457</b>	<b>-2 727</b>	<b>+11.0%</b>	<b>-2 879</b>	<b>+5.6%</b>
LLPs & FV change	-1 293	-879	-1 023	+16.5%	-1 204	+17.6%
<b>Operating profit</b>	<b>1 141</b>	<b>18</b>	<b>2 071</b>	<b>117.7x</b>	<b>2 995</b>	<b>+44.6%</b>
<b>Net result</b>	<b>104</b>	<b>-1 179</b>	<b>610</b>	<b>-/+</b>	<b>1 434</b>	<b>+135.0%</b>
Net loans	108 567	118 055	124 325	+5.3%	131 139	+5.5%
Assets	178 872	199 539	206 210	+3.3%	218 656	+6.0%
Deposits	137 699	159 935	165 337	+3.4%	176 774	+6.9%

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:

#### Credit Information Bureau (BIK) invested in a fintech from mAccelerator's portfolio

On May 30, 2022, the transaction of the acquisition of Digital Fingerprints was finalized as a result of an agreement concluded between BIK S.A. and mAccelerator, a fund established by mBank. Digital Fingerprints is a Polish start-up, operating since 2017, offering cybersecurity solutions based on behavioural biometrics. So far, the company has been in the portfolio of mAccelerator, which specializes in investments in dynamically growing enterprises at an early stage of their development. Thanks to the acquisition, the innovative technology of Digital Fingerprints will strengthen BIK's existing competences in building sectoral anti-fraud systems and services. It will mainly contribute to the safety of banks and their clients in the BIK Behavioural Biometric Platform. The biometric model can detect anomalies in the user's behaviour, which allows to identify a fraudulent operation and warn, for example, a bank against an unauthorized transfer from an account or submitting a loan application.

### Key news regarding mBank Group

#### mBank's analysts continue to foresee Polish GDP growth at ~4.8% YoY in 2022



Polish Gross Domestic Product (GDP) in Q1 2022 advanced by 8.5% YoY. Key contributors to the GDP in Q1 2022 were inventories, which added 7.7 p.p., while net export deducted 3.8 p.p. Consumption increased by 6.6% YoY, followed by investments rising by 4.3% YoY. Accumulated inventories are seen to meet the future demand, implicating slowdown of the economy and deceleration of the growth of prices. Polish economy is exposed to trade and price shocks as well as high level of uncertainty.

Therefore, GDP in 2023 is expected to advance by 0.7% YoY only.

Inflation surged to 13.9% YoY in May 2022, in line with the flash estimate of Statistics Poland. Top drivers behind this value were the prices of food (+1.3% MoM), energy (+3.4% MoM), and fuel (+5.5% MoM). Several one-off factors impacted the dynamics as well. Soaring price of coal (+101.5% YoY) was reflected in the 'energy' category, which contributed 0.4 p.p. more to the inflation growth compared to the previous month. Core inflation advanced by 8.5% YoY, according to data published by the National Bank of Poland. It is not seen to be decelerating. Price growth is fuelled by cost adjustments to the disruption of supply, according to mBank's analysts. The inflation has not reached its peak yet. It is expected to materialize at the end of the year. mBank's analysts also foresee core inflation to slow down in 2023. The Monetary Policy Council increased main interest rate to 6.0% in June 2022. mBank's economists assume it to reach ~7.0% within coming months (last hike in September).

Industrial production rose by 15% YoY in May 2022. It is still significantly above the pre-pandemic trend. However, it is decelerating. Industrial output is losing momentum. It is primarily driven by energy generation now but given the state of business tendency indicators and faltering global momentum, mBank's analysts see manufacturing weakening in the months ahead. Producer Price Index (PPI) went up to 24.7% YoY (+1.3% MoM) in May. The data suggest that the readings approach the inflection point.

Retail sales grew by 8.2% YoY in May 2022, compared to 19% YoY in April. The outperformance on a yearly basis still comes from base effects. Seasonally adjusted sale of food and pharmacy were the only gaining categories. Consumption is anticipated to decline in the longer horizon, after deceleration of investment. In May, it continued to be driven by the demand generated by the refugees. mBank's analysts believe that retail sales are strong (with weak composition) but as real

wage growth entered negative territory and credit creation is falling, there may not be much fuel left (although consumption will be the last to go down). The impact of declining consumers' real purchasing power (inflation) is more and more visible, and it will play an important role in the foreseen slowdown.

Employment went up by 2.4% YoY in May 2022, below the consensus anticipating 2.6% YoY. The number of FTEs decreased by 5 thousand MoM. mBank's analysts do not rule out the possibility that it was a one-time drop, however lower demand for labour could also be a result of uncertainty caused by the war in Ukraine and oncoming slowdown of economy. Wages rose by 13.5% YoY. This category has been significantly above the trend in the recent months and it is expected now to slowly close the gap. Dynamics of real wages fell below zero, meaning the inflation in May outpaced the growth of salaries YoY.

### **Eco-loan for small companies at mBank**

By implementing its ESG strategy, mBank supports entrepreneurs in eco-transformation and caring for the environment. Companies that spend the borrowed funds for environmental purposes will not pay a commission for granting the loan, and its margin will be 1 percentage point lower (and will amount to 3.9% for a loan above PLN 30,000).

Entrepreneurs who plan to reduce energy consumption, gas emissions and pollutants may receive between PLN 30,000 and PLN 200,000 from mBank in PLN loans on preferential conditions. The money will be disbursed to the company's account within 15 minutes after signing the contract. For obtaining preferential conditions, the customer is obliged to provide the bank with documents confirming the expenses incurred for the purposes supporting environmental protection.

### **mBank appreciated in important industry competitions**

The bank received multiple awards and prizes for its activities in the field of ESG, innovation, security standards as well as mortgage and cash loans. The results of the Banking Stars competition organized by Dziennik Gazeta Prawna and PwC were announced on June 8, 2022. mBank came first in the ESG category, with 96.7 points out of 100 possible. What's more, thanks to its high position in this category and in terms of innovations, mBank took the second place in the general classification of Banking Stars.

**Forthcoming corporate access events**

5-6.09.2022	19th Annual Emerging Europe Investment Conference by BM Pekao
29-30.09.2022	European Financials Conference in Warsaw by mBank Brokerage House

**Forthcoming reporting events**

03.08.2022	Semi-annual Financial Report of mBank Group for H1 2022
27.10.2022	mBank Group Financial Report for Q3 2022
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

**mBank's shares:**

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 413 932
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-20, WIG-30, WIG-Banks, WIG-ESG

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