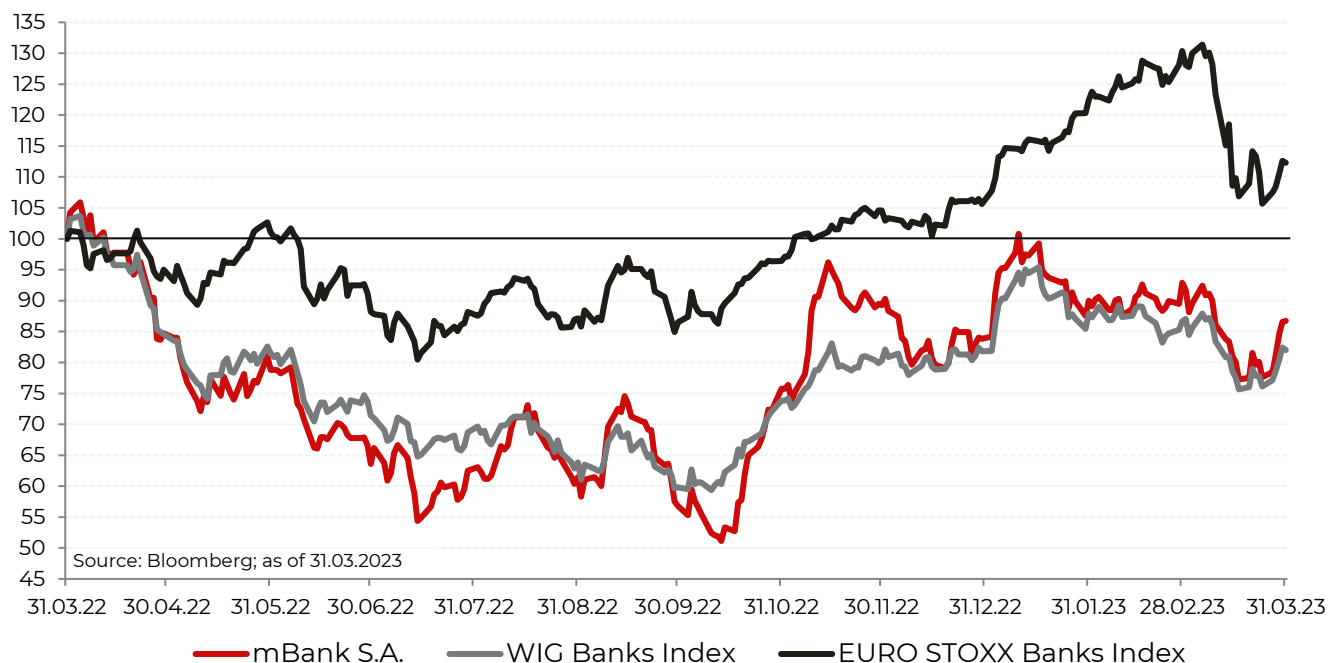


## Share price performance summary

In March mBank's share price went down by 6.59%, while the WIG-Banks index decreased by 5.40%. The EURO STOXX Banks Index dropped by 13.85% in the same period.

### Last 12 months – chart



change in the period	1Q'22	2Q'22	3Q'22	4Q'22	2022	1Q'23
mBank	-18.47%	-36.41%	-10.77%	+47.70%	-31.67%	+3.51%
WIG Banks Index	-11.54%	-28.62%	-16.22%	+36.79%	-27.64%	+0.27%
EURO STOXX Banks Index	-9.62%	-11.82%	-1.91%	+22.08%	-4.56%	+6.35%

## 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	5,909	7,275	+23.1%	6,827	-6.2%
Net fee income	1,868	2,120	2,178	+2.7%	2,262	+3.9%
<b>Total income</b>	<b>6,111</b>	<b>7,842</b>	<b>9,639</b>	<b>+22.9%</b>	<b>9,279</b>	<b>-3.7%</b>
<b>Total costs</b>	<b>-2,457</b>	<b>-3,319</b>	<b>-2,949</b>	<b>-11.2%</b>	<b>-3,104</b>	<b>+5.3%</b>
LLPs & FV change	-879	-835	-1,358	+62.7%	-1,274	-6.2%
<b>Operating profit</b>	<b>18</b>	<b>576</b>	<b>3,570</b>	<b>+520%</b>	<b>4,344</b>	<b>+21.7%</b>
<b>Net result</b>	<b>-1,179</b>	<b>-703</b>	<b>1,730</b>	<b>-/+</b>	<b>2,496</b>	<b>+44.3%</b>
Net loans	117,677	120,183	124,637	+3.7%	129,563	+4.0%
Assets	198,373	209,892	213,331	+1.6%	223,552	+4.8%
Deposits	157,072	174,131	176,046	+1.1%	182,929	+3.9%

Contributing research by: BOŚ Brokerage, Citi Research, Erste Group, Ipopema, Pekao Brokerage, PKO Securities, Raiffeisen, Santander Brokerage, Societe Generale, 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:

#### **The new Vice-President of the Management Board for Compliance, Legal and HR**

The new position of Vice-President of the Management Board for Compliance, Legal Issues and HR was created in mBank. The Supervisory Board of the company appointed Ms. Julia Nusser, the Managing Director of Commerzbank, for this role. Her tenure will begin on May 1, 2023, for the duration of the present term of office of the Management Board.

Ms. Julia Nusser received a master's degree in Banking at the Frankfurt School of Finance in 2002. She completed the Digital Leadership Program in 2018 and the prestigious ANNA+Cie Executive Development program for women with high leadership potential. Ms. Julia Nusser has more than 25 years of professional experience in the banking sector. She has been managing large and diverse teams for over 20 years. Currently, she holds the position of a Managing Director at Commerzbank AG. In her current role of the Cluster Lead, she is responsible for creating, developing, implementing and ensuring correct operation of systems and processes of the first line of defense within the KYC area at Commerzbank AG worldwide in all client groups. She previously held the function of the Managing Director and Global Head of Trade Finance Operations at Commerzbank AG. In the past, she held various internal audit functions at Dresdner Bank (later acquired by Commerzbank AG). Ms. Julia Nusser is also a Member of the Supervisory Board of CERI International in Poland.

The Supervisory Board of the bank also appointed Mr. Pascal Ruhland as the Vice-President of the Management Board, Chief Financial Officer. He replaces Andreas Böger, the current CFO, who has resigned effective on April 30, 2023.

### Key news regarding mBank Group

#### **Inflation in Poland peaked at 18.4% YoY in February 2023**



Gross domestic product (GDP) in Poland in Q4 2022 increased by 2.0% YoY, in line with the preliminary data, according to Statistics Poland. However, seasonally adjusted GDP fell by 2.4% on a quarterly basis. The key components equally contributing to the reading were investments, net export and inventories, which growth has been decelerating in the recent quarters. The consumption slowed down.

The trend of inventories is seen to continue, given the upcoming deterioration of economic conditions, decelerating inflation and dissipating bottlenecks in supply chains. On the contrary, the path of investment growth follows the long-term uptrend, despite numerous obstacles such as high interest rates and low market sentiment. mBank's analysts forecast the GDP dynamics for whole 2023 will decline to 0.4% YoY, while for Q1 2023 it will amount to -1.2% YoY.

Inflation peaked at 18.4% YoY in February 2023, according to data of Statistics Poland. In March, it is estimated to have reached 16.2% YoY. The National Bank of Poland forecasts it will decelerate to 7% during 2023. Acceleration of communication (+2.9% MoM), alcoholic beverages and tobacco products (+2.4% MoM), recreation and culture (+2.3% MoM), and food and non-alcoholic beverage prices (+1.8% MoM), contributed the most to the reading in February. mBank's analysts estimate core inflation accelerated to 11.5% YoY from 11.2% YoY recorded in January. The Monetary Policy Council kept the interest rates unchanged in March. mBank's analysts expect them to remain stable until H2 2024.

Industrial production has disappointed the market for several months in a row. In February 2023, it dropped by 1.2% YoY. The value was dragged down mostly by the production of energy, which was revised down, leading to overestimation of forecasts for its monthly dynamics.

Seasonally adjusted industrial processing decreased as well, following a long-term downtrend. Producer Price Index remained almost unchanged at 18.4% YoY.

Retail sales slumped by 5.0% YoY in February 2023, more than the consensus which assumed a minor decrease. The figure has continued to be impeded by elevated inflation, declining real wages and base effects linked to outbreak of the war in Ukraine. According to Statistics Poland, the most significant drop amongst durable consumer goods was noted in the furniture, electronics and household appliance category (seasonally adjusted). mBank's analysts anticipate it to went down further along with the forthcoming impact of lower mortgage loan sales and reduced number of planned renovations in the environment of high interest rates. Similar drops were recorded in the newspapers, books, other sale in specialized stores category. Amongst non-durable consumer goods, the decrease was steepest in the food and fuel.

Employment advanced by 0.8% YoY in February 2023. Despite that, the number of FTEs fell by 3,800 MoM, which is the worst performance observed in the corresponding period in the last 10 years. In the opinion of mBank's analysts, the monthly dynamics are more telling than yearly ones which are expected to rise further. The slowdown on the job market visible in the monthly developments is cohesive with the readings of GDP for the last 3 quarters and industrial production at the beginning of the year. Wages in February 2023 rose by 13.6% YoY, beating the consensus expectations of ca. 12.0%. The value was driven by reimbursement of bonuses and yearly awards, inflation premiums, salary increases and retirement severance pays, according to Statistics Poland. mBank's analysts believe the wages will continue to remain high for the rest of 2023, due to deferred character of their relation with the cycle of nominal GDP and weak evidence of slowdown in some sectors. The annual increase of inflation still outpaces the growth of average wages in the corporate sector, therefore real wages remain negative.

### **mBank convened an Ordinary General Meeting on March 30, 2023**

Among the standard materials discussed and voted at the 36th Ordinary General Meeting of Shareholders of mBank S.A., such as approval of the Financial Statements, the Management Board Report on Performance of mBank S.A. Group, and presentation of the Report of the Supervisory Board of mBank S.A. on its activities in 2022, the agenda comprised, among others, coverage of the 2022 loss and division of the undivided profits from previous years with a recommendation to refrain from possible dividend payments from retained earnings from previous years. This decision was in line with the Resolution of the Management Board of mBank S.A. During the OGM, the shareholders also adopted Policy for the assessment of qualifications (suitability), appointment and dismissal of members of the bank's body at mBank S.A., approved election of Thomas Schaufler and Hans Georg Beyer to the Supervisory Board, amended the By-laws of mBank S.A., and adopted the demerger of mBank Hipoteczny S.A. Attendees could participate in the OGM with the use of means of electronic communication.

### **Mobile verification of the identity of mBank's employees contacting clients**

Remote banking at mBank is now even more secure. All calls initiated by the employees have to be confirmed by the client in the mobile application. If the client does not approve the call, the employee disconnects. No verification questions are asked by the person from contact centre. Thanks to the solution, the client can be sure that he or she is talking to a real representative of mBank. The current method of confirming identity will continue to be used if the client chose text message authorization or has not downloaded mBank's application.

**Forthcoming corporate access events**

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

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
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	42 433 495
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-20, WIG-30, WIG-Banks, WIG-ESG

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