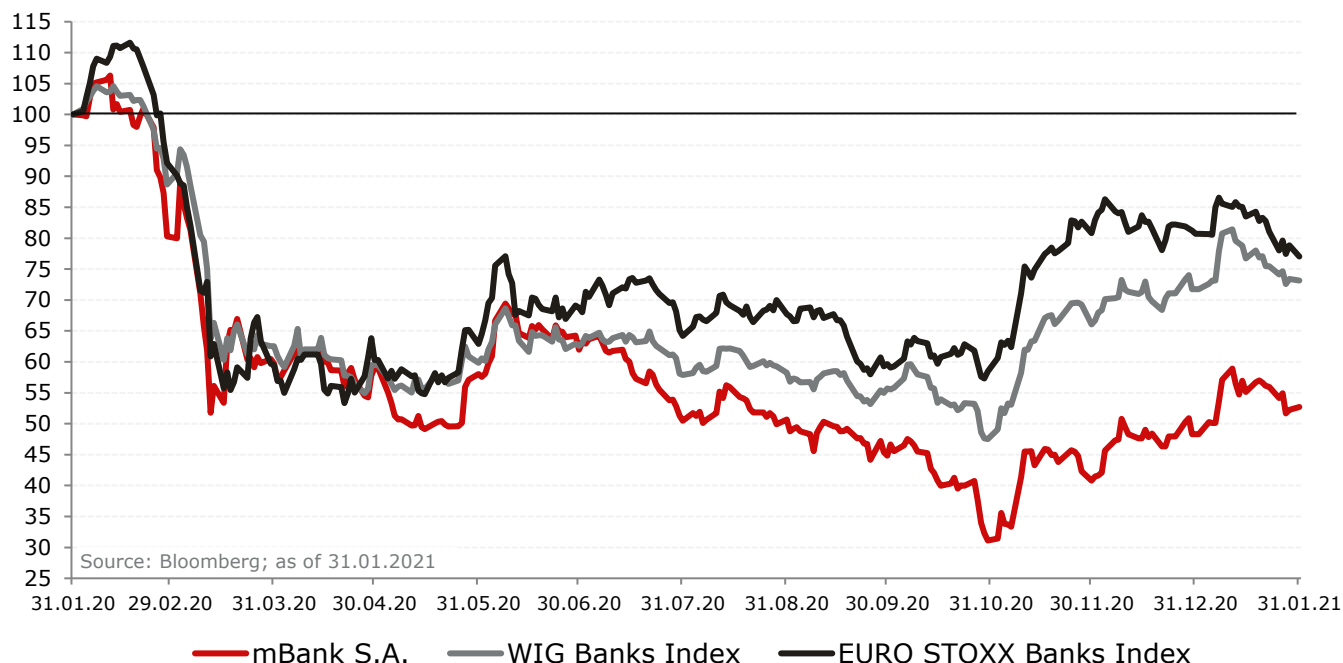


Share price performance summary

In January mBank's share price increased by 9.15%, while the WIG-Banks index rose by 2.00%. The EURO STOXX Banks Index declined by 4.55% in the same period.

Last 12 months - chart



| change in the period | 1Q'20 | 2Q'20 | 3Q'20 | 4Q'20 | 2020 | 01.2021 |
|------------------------|---------|---------|---------|---------|---------|---------|
| mBank | -43.04% | +3.70% | -27.65% | +7.69% | -53.98% | +9.15% |
| WIG Banks Index | -38.62% | +0.06% | -11.03% | +28.84% | -29.59% | +2.00% |
| EURO STOXX Banks Index | -43.81% | +15.61% | -13.24% | +35.36% | -23.72% | -4.55% |

Consensus estimates for mBank Group's results

| Financials (in PLN million) | 2018 | 2019 | 2020E | | 2021E | |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | estimate | Δ vs. 2019 | estimate | Δ vs. 2020E |
| Net interest income | 3 496 | 4 003 | 4 002 | 0.0% | 3 968 | -0.8% |
| Net F&C income | 1 258 | 1 271 | 1 483 | +16.7% | 1 542 | +4.0% |
| Total income | 5 080 | 5 524 | 5 776 | +4.5% | 5 704 | -1.2% |
| Total costs | -2 164 | -2 329 | -2 446 | +5.0% | -2 488 | +1.8% |
| LLPs & FV change | -694 | -794 | -1 351 | +70.2% | -1 341 | -0.7% |
| Operating profit | 2 201 | 2 014 | 1 265 | -37.2% | 1 299 | +2.7% |
| Net profit | 1 303 | 1 010 | 281 | -72.1% | 331 | +17.8% |
| Net loans | 94 766 | 105 347 | 108 901 | +3.4% | 113 183 | +3.9% |
| Assets | 145 781 | 158 721 | 180 302 | +13.6% | 186 689 | +3.5% |
| Deposits | 102 009 | 116 661 | 140 302 | +20.3% | 145 334 | +3.6% |

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

Note: In 2018 total income included a one-off gain on the sale of an organised part of enterprise of mFinanse (PLN 219.7 million). Results for 2019 were under negative impact of provisions for legal risk related to FX loans (PLN 387.8 million).

Special topic: mBank plays together with the Great Orchestra of Christmas Charity

mBank, as the main partner of the Foundation, prepared a special offer for the 29th Finale of the Great Orchestra of Christmas Charity (WOŚP). The clients can order customised payment cards designed by Jurek Owsiak, the Head of the Foundation. As usually, mBank also contributes financially to the payments done by its clients. Moreover, in the difficult pandemic time, the mobile experience of mBank matters more than ever in supporting the fundraising. There is a dedicated "heart" icon for quick payments in mBank's mobile application available on Android and iOS. Our outlets and mKiosks are equipped with terminals for card payments. mBank's employees collect and count the money from all collection points.

Key news regarding mBank Group**Polish economy still expected to rise by 3.8% YoY in 2021, but COVID-19 immunisation to be observed as key factor**

The current macroeconomic forecasts of mBank's analysts for Poland stand at -2.6% QoQ drop of GDP in 4Q'20 and +3.8% YoY growth in 2021. Preliminary estimate of Statistics Poland indicates GDP decline of -2.8% YoY in 2020. Key challenges, not only for the domestic market, but the recovery worldwide, are going to be the pace of vaccination against COVID-19 and temporary restrictions arising from potential delays in immunisation, prevailing infections and mutations of the virus.

Inflation reached 2.4% at the end of 2020 and average inflation for the whole year amounted to 3.4%. The year-end reading was slightly higher than the consensus. Base inflation dropped to 3.7% YoY, with key drivers being aviation, communication and insurance sectors. mBank's analysts foresee it to fall further in 2021. Base effects are going to turn up and price increases related to COVID-19 pandemic are not expected to repeat in 2021. Nevertheless, inflation drop is seen to be slow and shall halt along with the anticipated economic revival. Lifting restrictions and tightening of the job market are forecasted to put pressure on the prices, which will become more visible in 2022.

Industrial production in December increased significantly by 11.2% YoY, beating a consensus of 8.3% YoY. There were various reasons for that improvement, including low basis from the last year, two more working days, as well as catching up with production after weaker previous months and stocking inventories ahead of Brexit. Global delivery chains were also functioning relatively well and employees were mostly attending their workplaces instead of using the care allowances. All these aspects position Poland optimistically among the second pandemic wave, but some of them could have been one-off. Therefore, expectations for next months need to remain cautious. Pandemic situation seems to be more and more under control, but still far from normality. Also, it has to be mentioned that services were under pressure, with the most prominent examples of locked-down hospitality, restaurants and other sectors.

Retail sales declined by 0.8% YoY in December, but rebounded compared to November thanks to reopening of the shopping malls. The reading was better than market consensus of -2.3%. It was no major surprise that customers tended to realise the delayed demand after previous restrictions and ahead of January's lockdown, already announced to them. Holiday season also drove consumption up, potentially also backed by one additional working Sunday than originally planned for this month. Nevertheless, consumption still remains below the pre-pandemic levels and nearest months are not expected to significantly change this situation. In the short term, at least some restrictions are going to prevail, while in the longer term, customers' self-restrictions and laggard growth of wages might be trimming the consumer spending.

Employment declined by 1.0% YoY in December, compared to the consensus of -1.2%. The wages surprised positively, rising by 6.6% YoY, above the expected increase of 4.7%. mBank's analysts believe this to be strongly driven by one-off effects rather than prospect for a long-term improvement trend, which shall more likely materialise in 2H'21. Reopened shopping malls and dynamic production in December contributed to a growth of FTEs. Similarly, catching up after November's lockdown could have caused overtime workload. Employment is not foreseen to return to the pre-pandemic levels in 2021. The data of the Statistics Poland confirmed, that although the number of employed in the industrial companies declined, meaning reduced FTEs, some of the employees worked for longer hours, among others due to returns from the furloughs episodes. Laggard GDP at the beginning of the year and cumulated workforce speak against rising number of employed persons. Also, the supply of potential employees has gone up in aftermath of pandemic redundancies, despite their relatively limited scope thanks to the public support. When anti-crisis shields terminate, the workers' supply might increase further. At the end of 2020, unemployment rate reached 6.2%, in line with consensus. It is expected to rise in the intermediate horizon, but should already show lower level at the end of the year.

Although the prospects for exports are positive and the current account surplus shall remain in Poland for longer, forecast of mBank's analysts is lower than consensus for 2021. This is not for a reason of demographic problems or fiscal tightening, but rather laggard rebalancing of the job market and a slow recovery of wages. Consumption is expected to accelerate in 2H'21 at the earliest and fully regain the pace in 2022. Investments are foreseen to rebuild unhurriedly and pro-cyclically. The schedule of EU and local governments' funds distribution is postponed until the second half of the year.

mBank included in 2021 Bloomberg Gender-Equality Index

mBank is one of 380 companies across 11 sectors included in the 2021 Bloomberg Gender-Equality Index (GEI). The GEI expanded in 2021 to represent 44 countries and regions. Companies range from a variety of industries, including automotive, banking, consumer services, engineering and construction, and retail. The GEI brings transparency to gender-related practices and policies at publicly listed companies increasing the breadth of environmental, social, governance (ESG) data available to investors. The comprehensive, transparent GEI scoring methodology allows investors to assess company performance and compare across industry peer groups.

The reference index measures gender equality across five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand. mBank was included in this year's index for scoring at or above a global threshold established by Bloomberg to reflect a high level of disclosure and overall performance across the framework's five pillars. All GEI Scores can be found [HERE](#).

Forthcoming corporate access events

| | |
|---|-------------------------------------|
| - | No events planned for February 2021 |
|---|-------------------------------------|

Forthcoming reporting events

| | |
|------------|--|
| 09.02.2021 | Selected non-audited financial data of mBank Group for Q4 2020 |
| 03.03.2021 | Annual Financial Report of mBank Group for 2020 |
| 05.05.2021 | mBank Group Financial Report for Q1 2021 |
| 03.08.2021 | Semi-annual Financial Report of mBank Group for H1 2021 |
| 03.11.2021 | mBank Group Financial Report for Q3 2021 |

mBank's shares:

| | |
|-------------------------|--|
| ISIN | PLBRE0000012 |
| Bloomberg | MBK PW |
| Number of shares issued | 42 367 040 |
| Listed on WSE since | 06.10.1992 |
| Relevant WSE indices | WIG, WIG-30, mWIG-40, WIG-Banks, WIG-ESG |

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