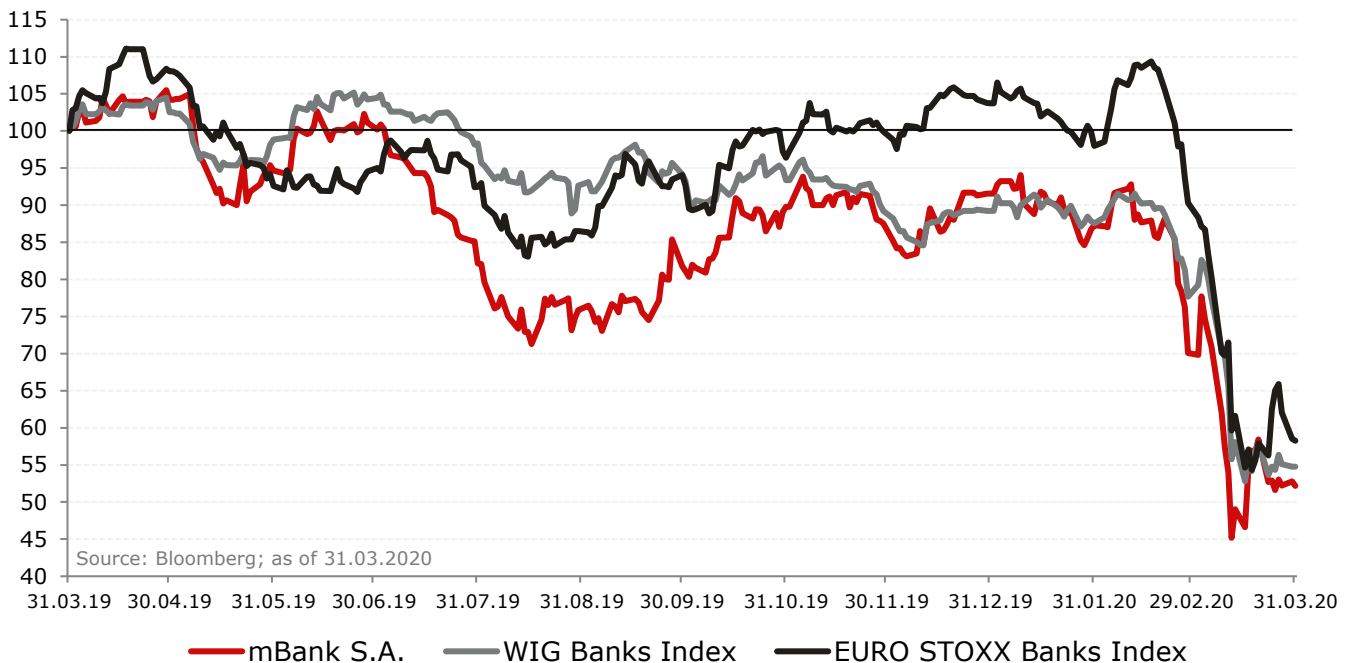


Share price performance summary

In March mBank's share price decreased by 25.57%, while the WIG-Banks index declined by 29.48%. The EURO STOXX Banks Index dropped by 35.46% in the same period.

Last 12 months – chart



change in the period	1Q'19	2Q'19	3Q'19	4Q'19	2019	1Q'20
mBank	+0.24%	+1.13%	-19.16%	+12.03%	-8.20%	-43.04%
WIG Banks Index	+1.78%	+4.24%	-9.69%	-5.23%	-9.19%	-38.62%
EURO STOXX Banks Index	+7.13%	-5.48%	-0.50%	+10.27%	+11.11%	-43.81%

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	4 419	+10.4%	4 728	+7.0%
Net F&C income	976	965	987	+2.4%	1 024	+3.7%
Total income	5 080	5 524	5 821	+5.4%	6 178	+6.1%
Total costs	-2 164	-2 329	-2 445	+5.0%	-2 518	+3.0%
LLPs	-694	-794	-921	+16.1%	-992	+7.7%
Operating profit	2 201	2 014	2 455	+21.9%	2 668	+8.7%
Net profit	1 303	1 010	1 373	+35.9%	1 495	+8.9%
Net loans	94 766	105 347	112 076	+6.4%	118 224	+5.5%
Assets	145 781	158 721	170 308	+7.3%	179 942	+5.7%
Deposits	102 009	116 661	125 398	+7.5%	132 468	+5.6%

Contributing research by: Citi Research, BOŚ Brokerage, PKO Securities, Haitong, IPOPEMA, Pekao Investment Banking, Raiffeisen Centrobank, Santander Brokerage, Societe Generale, Trigon DM, 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 Group supports clients hit by COVID-19

mBank was the first bank in Poland which offered a loan repayment moratorium to its individual and SME clients on March 16, 2020. The procedure is performed with use of the transactional service. Clients may apply for deferring the repayment of the capital part of their instalments, while still servicing the interest payment. The deferred principal is going to be evenly spread on remaining instalments, without extending the loan maturity. Given the dynamic situation and shaping of the regulatory aid packages, the described support mechanism might be adjusted in the future. Also, mBank's subsidiary mLeasing has offered a 90%-cut for the six leasing instalments. The whole procedure can be performed via Internet and enables extending the repayment period by six months. This option is available to all mLeasing's clients with agreements below PLN 1 million who have timely serviced their contracts previously. The fee for annexing an agreement is cut by a half.

mBank helps its business clients hit by the spread of COVID-19 and provides a free contact line for consulting with the accounting specialists. Currently around 3,000 calls can be taken daily and more accounting experts are available if needed. A dedicated website with advices on remote banking is also available for the clients. For the time of epidemic threat mBank suspended a collection of fees from Paynow – online payment service. Free-of-charge services have been available since March 19, 2020. It aims at supporting e-commerce segment. mBank's clients willing to start Paynow service may complete the process fully online.

The limits for cards contactless payments were increased from PLN 50 to PLN 100 for both Visa and Mastercard cards issued by mBank. The change has been directly applicable to all cards since March 20, 2020. mBank actively encourages its clients to use mobile payments as well in order to limit the threat of spreading the infection.

Key news regarding mBank Group**mBank's economists lowered GDP forecast on the outburst of COVID-9 pandemics**

Rapid outbreak of COVID-9 virus and its implications for economic development worldwide prompted mBank's economists to significantly cut GDP forecast. First, at the beginning of March, the expected Polish GDP growth in 2020 was reduced from 2.8% to 1.6%. Expansion of the pandemics as well as monetary and fiscal responses from the governments to cope with its consequences led to further downgrades of the outlook.

mBank's economists keep two possible scenarios depending on the developments to be observed in next weeks, both based on an unprecedented sudden-stop recession, originated in services sector and characterised with simultaneous supply and demand shock. The basic (optimistic) scenario assumes a slight recession of -0.3% in 2020. Inflation is expected to fall and reach 0.5% YoY in 2021. Monetary Policy Council is not expected to lower interest rates further after a cut of 50 bps in March. Under the first scenario government's and central bank's measures are seen to limit the unemployment and boost liquidity in the system. The second scenario of U-shape path and deeper recession assumes a GDP decline of ca. 1.7% YoY in 2020, owing to possible rise of an unemployment, massive redundancies and lowering of interest rate by the central bank. The decision on more probable scenario shall be taken based on the data published in the nearest 1-2 months. Until then, already available data shall be commented as a basis for the shape of the Polish economy at the outbreak of the recession, which strongly influences its potential resilience.

Average employment in Poland increased in February by 1.1% YoY, in line with market consensus. Slowdown was mild and fits the downward trend of this category in recent months, consistent with business cycle. In March solid declines are foreseen, especially in services (hotels, restaurants). Upcoming data releases for enterprise sector will not show the whole picture of employment cuts. They can be concentrated in firms with less than 9 employees and workers with civil contracts. The question remains, how many employees will be hoarded in companies not to lose adequate workers after previous years' shortages.

Industrial production in February increased by 4.9% YoY, while adjusted for the seasonal and calendar effects it was up by 1.3% MoM, which was also a surprisingly good result. The impact of the coronavirus epidemic and problems with the supply chain were yet too small to affect the entire category. Lower external demand and stoppage in automotive industry will hit industrial production in March. It is also worth noticing that the nature of current shock is specific as it is concentrated in services, where monthly data coverage is at its lowest.

Construction output maintained relatively strong pace in February, rising by 5.5% YoY. In the upcoming months, existing investments will mostly be completed, but investment calculus was turned on its head almost overnight and projects will be scaled back rapidly.

Retail sales in February was yet another monthly print from the Polish economy that managed to surprise to the upside. It rose by 9.6% YoY in current prices and by 7.3% YoY in real terms, and likely wasn't impacted by epidemic-related hoarding which occurred in the second week of March. Nevertheless, it only pertains to food, pharmaceuticals and hygiene products, while other types of retail sales (durables and semi-durables) fell off a cliff as consumers started to practice social distancing and multiple stores were closed.

Election of the Supervisory Board of mBank for a new term of office

On March 27, 2020, the XXXIII Annual General Meeting of mBank elected eight members of the Supervisory Board for a joint term of three years. Its composition is as follows: Agnieszka Słomka-Gołębiowska as the Chairman of the Supervisory Board, Joerg Hessenmueller as the Deputy Chairman of the Supervisory Board, and Bettina Orlopp, Aleksandra Gren, Marcus Chromik, Ralph Michael Mandel, Tomasz Bieske and Mirosław Godlewski as members.

mBank to invest PLN 2 billion in renewable energy sources

mBank increased its funding limit for Renewable Energy Sources (RES) projects up to PLN 2 billion. RES projects have been in the centre of mBank's attention already since 2018, when it started with PLN 500 million funding limit, further increased in mid-2019 up to PLN 1 billion. RES financing enjoys high interest among mBank's clients. The majority of funding is dedicated to wind farms, while around a quarter of total pool goes to photovoltaics. Supporting RES segment does not only bode well for the future financial return on investment, but also facilitates transition into sustainable economy, which constitutes one of mBank's strategic targets.

Record-high fundraising of WOŚP, supported by mBank

The Great Orchestra of Christmas Charity, Polish NGO supporting the medical services in the country, raised a record sum of over PLN 186 million during the 28th Grand Finale in 2020. This year, the primary purpose of the main fundraiser was children's surgery and subsequent treatment. mBank has been a strategic banking partner of the NGO for the third time in a row. We are servicing the cash and transfers collection during the Finales as well as support the functioning of the foundation around the year.

Forthcoming corporate access events

-	No confirmed events for April and May
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Forthcoming reporting events

30.04.2020	mBank Group Financial Report for Q1 2020
30.07.2020	Semi-annual Financial Report of mBank Group for H1 2020
29.10.2020	mBank Group Financial Report for Q3 2020
09.02.2021	Selected non-audited financial data of mBank Group for Q4 2020
26.02.2021	Annual Financial Report of mBank Group for 2020

mBank's shares:

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 350 367
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-30, WIG-20, WIG-Banks

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