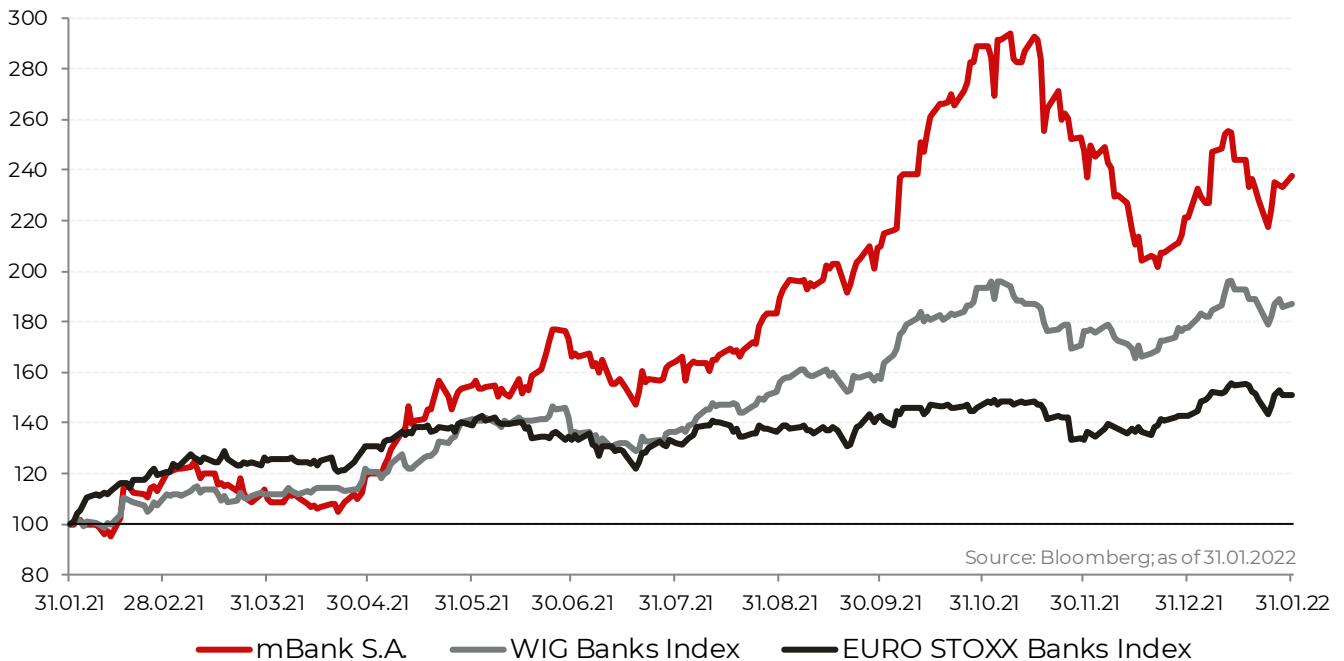


### Share price performance summary

In January mBank's share price rose by 7.39%, while the WIG-Banks index increased by 5.35%. The EURO STOXX Banks Index went up by 5.98% in the same period.

#### Last 12 months – chart



change in the period	2020	1Q'21	2Q'21	3Q'21	4Q'21	2021
mBank	-53.98%	+19.64%	+51.59%	+26.46%	+5.40%	+141.74%
WIG Banks Index	-29.59%	+13.99%	+20.54%	+16.95%	+12.83%	+81.32%
EURO STOXX Banks Index	-23.72%	+19.38%	+6.35%	+7.10%	+0.13%	+36.15%

### Consensus estimates for mBank Group's results

Financials (in PLN million)	2019	2020	2021E		2022E	
			estimate	Δ vs. 2020	estimate	Δ vs. 2021E
Net interest income	4 003	4 009	4 047	+0.9%	4 930	+21.8%
Net F&C income	1 271	1 508	1 884	+24.9%	1 908	+1.3%
<b>Total income</b>	<b>5 524</b>	<b>5 867</b>	<b>6 090</b>	<b>+3.8%</b>	<b>7 020</b>	<b>+15.3%</b>
<b>Total costs</b>	<b>-2 329</b>	<b>-2 411</b>	<b>-2 457</b>	<b>+1.9%</b>	<b>-2 658</b>	<b>+8.2%</b>
LLPs & FV change	-794	-1 293	-866	-33.0%	-920	+6.2%
<b>Operating profit</b>	<b>2 014</b>	<b>1 141</b>	<b>311</b>	<b>-72.8%</b>	<b>1 939</b>	<b>+523.8%</b>
<b>Net result</b>	<b>1 010</b>	<b>104</b>	<b>-835</b>	<b>+/-</b>	<b>569</b>	<b>-/+</b>
Net loans	104 980	108 567	119 403	+10.0%	126 798	+6.2%
Assets	158 353	178 872	201 156	+12.5%	210 579	+4.7%
Deposits	116 661	137 699	158 501	+15.1%	167 825	+5.9%

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 2019 and particularly for 2020 were negatively impacted by provisions for legal risk related to mortgage loans in foreign currencies (PLN 387.8 million and PLN 1,021.7 million, respectively).

### Special topic:

#### **mBank in Bloomberg Gender-Equality Index 2022**

In January 2022, mBank became a member of the Bloomberg Gender-Equality Index (GEI) 2022. It includes 418 companies from 45 countries and 11 economic sectors. The GEI helps bring transparency to gender-related practices and policies at publicly-listed companies around the world, increasing the breadth and depth of environmental, social, governance (ESG) data available to investors. Companies are assessed in terms of actions for equality between women and men. mBank has been appreciated by the Bloomberg's experts for, among others, its commitment to transparency and setting a new standard in reporting on gender diversity. Actions for gender equality are an important part of mBank's ESG strategy. Today, women account for almost 59% of its employees. In the future, women will constitute at least 30% of the composition of the management board and the supervisory board of mBank. More information about the index can be found on the website: <https://www.bloomberg.com/gei/about/>.

### Key news regarding mBank Group

#### **mBank's analysts see Polish GDP growth at ~4% YoY in 2022**



According to the preliminary estimate of Statistics Poland, the real gross domestic product (GDP) in 2021 increased by 5.7% YoY, against the decrease of 2.5% YoY recorded in 2020. The pre-pandemic trend has not been reached yet and mBank's analysts expect Polish economy to decelerate in 2022 and 2023 as a consequence of rate hikes and due to global slowdown. They estimate it will amount to 4.1% YoY in 2022 and 2.8% YoY in 2023.

Inflation accelerated to 8.6% YoY in December 2021, while core inflation amounted to 5.3% YoY. Food prices soared by 2.1% MoM, setting a new record. Fuel was up by 0.2% MoM, while energy prices rose by 0.8% MoM. mBank's analysts note that the anti-inflation shield programme did not impact the December reading. Forecasting inflation in 2022 will be hindered by numerous financial shields and their flexible expiration date. Therefore, the unstable trend is quite probable. The recently revealed intention of the Monetary Policy Council is to lower inflation in such a way as to not excessively cool down the growth of the economy, as well as to not increase the unemployment rate. With the introduced anti-inflation shields, mBank's analysts expect inflation to remain elevated in 2023. It can return to c. 3.5% at the end of 2023 if the monetary tightening is continued (maximum target rate at 4%) and zloty appreciates. The inflation is seen to accelerate to 9% YoY in January 2022. mBank's analysts anticipate a 50 bps rate hike in February. The reference rate is seen to reach 3.25% as at the MPC's March projection. Another rate hikes of total 75 bps are expected in Q2-Q3 2022. Average inflation amounted to 5.1% in 2021 and is estimated to increase to ca. 7% in 2022.

Industrial production surprised positively and expanded by 16.7% YoY in December. Although it has remained above the long-term trend, it will not stay elevated permanently. Similarly to the previous month, the energy-related goods and car production performed exceptionally well. The accumulated inventories will be transformed into sold production in the coming months. Supply chain issues are seen to be resolved in 2022-2023, according to mBank's analysts. As an outcome, over-supply will boost competition in the market and lead to decreasing prices in 2023. Producer Price Index increased by 14.2% YoY.

Retail sales decelerated to 8.0% YoY in December, disappointing the analysts who had expected it to increase by 9.4% YoY. A part of sales were realised in November, improving the reading in that month and depressing it in the following month. Previously, the gap between the current and the

pre-pandemic trend closed. With the latest data it has opened again. Rising prices cause the pace of consumption to fall.

Employment growth slowed down to 0.5% YoY in December. It might have been a result of quarantines and absences. If enterprises cannot hire, the remuneration for existing employees may rise. The wages increased by 11.2% YoY in December. The pace is above the pre-pandemic trend and the pressure remains strong. mBank's analysts believe it is a consequence of strong GDP growth and one-offs. Salaries are seen to follow deceleration of the economy.

### **Costs of legal risk related to FX loans of PLN 2,758 million booked in 2021**

On January 21, 2022, the management board of mBank took a decision that the costs of legal risk related to foreign currency mortgage loans in CHF recognized in Q4 2021 amounted to PLN 2,006 million, out of which PLN 1,010 million may be used for potential settlements with CHF loans holders. The bank initially estimates that the consolidated result of mBank Group in 2021 was negative and the net loss equalled to approximately PLN 1.2 billion. Despite this, capital and liquidity ratios remain materially above regulatory requirements.

### **mBank introduced a qualified e-signature service – mSzafir**

mBank's retail clients can now endorse contracts and official letters with a qualified electronic signature mSzafir, which has the same legal validity as a handwritten signature. The identity is confirmed in the bank's transaction service via mojID. To sign documents, customers need to buy a signature on the mSzafir website and confirm their identity in mBank's internet banking with mojID. Service is available for both retail and corporate clients of mBank.

The qualified e-signature mSzafir does not require any additional software to be installed or configured by the user. It is offered in two variants – one-time (allows to sign one document up to 10 MB) or with a long-term validity for one or two years (allows to sign from 1,000 to 100,000 documents). Every signature has a timestamp attached to ensure durable evidence value. It is the first solution on the Polish market which allows to obtain a fully-qualified certificate remotely.

### **mBank plays at the 30th Final of the Great Orchestra of Christmas Charity (WOŚP)**

The Great Orchestra of Christmas Charity plays for the 30th time this year. For mBank, as one of the main partners and sponsors of the Foundation, it is also a unique 5th anniversary of cooperation as well as the opportunity to summarize the effects of playing together so far.

During 29 Finals of the Great Orchestra of Christmas Charity, the Foundation collected and spent over PLN 1.5 billion to support Polish healthcare and bought over 67 thousand medical devices. Over the last 5 years, together with its clients, mBank supported WOŚP with almost PLN 70 million. Customers ordered ca. 111 thousand special cards designed each year by Jurek Owsiak, a founder of WOŚP. mBank also donated a part of its art collection to charity campaigns. In January, it again committed to contribute PLN 100,000 every day up to the Final if its clients made 100 donations.

**Forthcoming corporate access events**

21-24.03.2022	CEE Capital Markets Conference organized by PKO BP
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**Forthcoming reporting events**

08.02.2022	Selected non-audited financial data of mBank Group for Q4 2021
03.03.2022	Annual Financial Report of mBank Group for 2021
05.05.2022	mBank Group Financial Report for Q1 2022
03.08.2022	Semi-annual Financial Report of mBank Group for H1 2022
27.10.2022	mBank Group Financial Report for Q3 2022

**mBank's shares:**

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 384 884
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-30, mWIG-40, WIG-Banks, WIG-ESG

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