

Share price performance summary

In July mBank's share price increased by 17.75%, while the WIG-Banks index rose by 10.83%. The EURO STOXX Banks Index went up by 6.11% in the same period.

Last 12 months – chart



change in the period	3Q'22	4Q'22	2022	1Q'23	2Q'23	2023 YtD
mBank	-10.77%	+47.70%	-31.67%	+3.51%	+32.54%	+61.55%
WIG Banks Index	-16.22%	+36.79%	-27.64%	+0.27%	+27.01%	+41.15%
EURO STOXX Banks Index	-1.91%	+22.08%	-4.56%	+6.35%	+5.30%	+18.83%

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	8,083	+36.4%	7,547	-6.6%
Net fee income	1,868	2,120	2,118	-0.1%	2,201	+3.9%
Total income	6,111	7,842	10,297	+31.1%	9,920	-3.7%
Total costs	-2,457	-3,319	-2,963	-10.7%	-3,177	+7.2%
LLPs & FV change	-879	-835	-1,217	+43.3%	-1,219	+0.2%
Operating profit	18	576	3,908	+578%	4,559	+16.7%
Net result	-1,179	-703	1,964	-/+	2,581	+31.4%
Net loans	117,677	120,183	122,809	+2.2%	128,162	+4.4%
Assets	198,373	209,892	217,614	+3.7%	229,038	+5.3%
Deposits	157,072	174,131	179,779	+3.2%	187,685	+4.4%

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:

mBank and KUKE will jointly finance domestic investments of Polish exporters

mBank signed an agreement with the Poland's Export Credit Agency (KUKE), enabling companies to take attractive loans secured with payment guarantees for the development of export potential. The insurance can cover up to 80% of financing granted by the bank for the investment carried out in Poland. The offer is for enterprises, which generated not less than 20% of their revenues from export sales in selected three of the last five years.

The guarantees will mitigate the risk associated with the loan, allowing more companies to obtain financing from mBank. KUKE's facilities boost the capacity of exporters and have a positive impact on their relations with lenders and contractors, supporting a rise in the scale of operations. The guarantee can also cover the financing of an already ongoing investment, which will allow the company to increase its creditworthiness at the bank.

Key news regarding mBank Group

Inflation in Poland decreased by 0.2% MoM in July 2023



Polish GDP contracted by 0.3% YoY in Q1 2023, according to Statistics Poland. For the whole year, mBank's analysts expect the growth to reach 1.5%. The main drivers for such development are forecasted to be investments and foreign trade. At the same time, a strong negative contribution from inventories is foreseen. Economic recovery in H2 2023 shall be supported by declining inflation, anticipated lower borrowing costs, continued strong wage growth and expansionary fiscal policy.

Inflation decelerated to 11.5% YoY (0.0% MoM) in June 2023 compared to a flash estimate of 10.8% YoY (-0.2% MoM) recorded in July 2023. mBank's analysts point to the temporary nature of decreases, which result from the dissolvment of economic shocks. Although, the Monetary Policy Council already suggested a reduction of interest rates after the summer holidays, mBank's economists foresee the first rate cut of 25 bps in October, followed by 3 to 4 further decreases until Spring 2024. Prices of food have declined on a yearly basis, however the trend is expected to recoil in 2024 and following years as a result of tough weather conditions and wholesale prices, according to mBank's analysts. Core inflation is estimated to have slowed down to 11.0-11.1% YoY in June 2023, compared to 11.6% YoY in the previous month.

Industrial production receded by 1.4% YoY in June 2023, roughly in line with the consensus (-1.6% YoY). On a monthly basis, after three consecutive negative readings, it finally recovered, what is mainly attributable to industrial processing. Its growth was spread amongst all statistical categories of business activity (PKD), posing a promising sign for a revival of economy. Producer Price Index (PPI) sank to 0.5% YoY in June, compared to a revised down value of 2.8% YoY recorded in May. Price of energy which rose by a staggering 29.5% YoY was the main driver behind the increase of PPI, while all other components noted lower dynamics. mBank's analysts expect PPI to start decreasing in annual terms from July as a result of base effects, and the deceleration should translate into lower inflation.

Retail sales contracted by 4.7% YoY in June 2023, close to the consensus. On a monthly basis, it increased by 0.4%. Seasonally adjusted sale of textiles, clothing, footwear as well as sale of motor vehicles, motorcycles, parts contributed the most to the dynamic. They increased by 5.5% MoM and 2.9% MoM, respectively. mBank's analysts anticipate consumption to revive in the coming months, supported by strong job market and more optimistic consumer sentiment backed by upcoming rate cuts. It should translate into improving retail sales dynamics.

Employment advanced by 0.2% YoY in June 2023, missing the consensus which expected 0.4%. The number of FTEs dropped by 4.9 thousand MoM. The reading is an anomaly against the average of dynamics recorded in the corresponding months in the past. The decrease was distributed amongst almost all business activity categories, leading mBank's analysts to a conclusion it was a result of weak economy. They believe that entrepreneurs assess negatively current year and future demand, and with that they decide against increasing employment in 2023. On a positive note, the unemployment rate has remained on a record low level. mBank's experts expect employment will rise as soon as the economy rebounds. Salaries in June 2023 rose by 11.9% YoY, slightly below the consensus of 12.1%. Real wages became positive for a first time this year. Given persisting elevated inflation, low unemployment rate and upcoming economic revival next year, mBank's analysts anticipate the growth of wages to not decelerate in a meaningful way.

mBank's sustainable business appreciated

CSR "Leaves", Responsible Companies Ranking, Diversity IN Check and "Responsible Business in Poland. Good Practices" are the latest initiatives in which mBank received distinctions. The juries of the competitions applauded mBank's approach to conducting business in a sustainable way. In the Responsible Companies Ranking, a list comprising the most sustainable companies in Poland, evaluated by the Responsible Business Forum, Deloitte and Kozminski Business Hub, mBank scored the 7th place, up by 3 compared to the previous year. In June, the Polityka magazine, Responsible Business Forum and Deloitte granted a Silver CSR Leaf to mBank after assessing several aspects of the operations, such as protection of environment (including climate), employee relations, business ethics, human rights, social engagement (including support shown for Ukraine), and ESG integration in the strategy and governance.

mBank was also recognized for its activities promoting diversity and inclusion. The Diversity IN Check assessment was coordinated by the Responsible Business Forum, the parent company of the Diversity Charter, which mBank committed to comply with. mBank was distinguished for being one of the leaders of diversity and inclusion management. Special appraisal was given to particular ESG business projects such as Help for Ukraine, support for the Finale of the Great Orchestra of Christmas Charity by mBank's volunteers, "People are awesome" campaign and cybersecurity test, "Maths in green" book published by mBank Foundation, financing the energy transition, mBank's decarbonization, financial products which support ESG, diverse and inclusive culture, promotion of financial health of the clients, as well as Sustainable Development Code for Suppliers and Partners of mBank S.A. and Sustainability (ESG) Guide for mBank Group's Suppliers.

Forthcoming corporate access events

11-12.09.2023	20th Annual Emerging Europe Investment Conference by BM Pekao
25-26.09.2023	European Financials Conference by mBank Brokerage in Warsaw
27-28.09.2023	PKO by the Sea Conference in Sopot

Forthcoming reporting events

02.08.2023	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	42 464 892
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-20, WIG-30, WIG-Banks, WIG-ESG

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