

Share price performance summary

In April mBank's share price increased by 9.61%, while the WIG-Banks index rose by 8.06%. The EURO STOXX Banks Index went up by 4.34% in the same period.

Last 12 months – chart



change in the period	2Q'20	3Q'20	4Q'20	2020	1Q'21	2021YtD
mBank	+3.70%	-27.65%	+7.69%	-53.98%	+19.64%	+31.14%
WIG Banks Index	+0.06%	-11.03%	+28.84%	-29.59%	+13.99%	+23.18%
EURO STOXX Banks Index	+15.61%	-13.24%	+35.36%	-23.72%	+19.38%	+24.56%

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	3 994	-0.4%	4 196	+5.1%
Net F&C income	1 271	1 508	1 588	+5.3%	1 652	+4.0%
Total income	5 524	5 867	5 805	-1.1%	6 061	+4.4%
Total costs	-2 329	-2 411	-2 454	+1.8%	-2 537	+3.4%
LLPs & FV change	-794	-1 293	-1 318	+1.9%	-1 115	-15.4%
Operating profit	2 014	1 141	917	-19.7%	1 524	+66.3%
Net profit	1 010	104	-82	+/-	416	-/+
Net loans	104 980	108 567	113 938	+4.9%	119 861	+5.2%
Assets	158 353	178 872	186 822	+4.4%	194 467	+4.1%
Deposits	116 661	137 699	145 155	+5.4%	152 181	+4.8%

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: 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:

New mobile application for Corporate and SME clients

mBank released a new version of the application CompanyMobile, which is available to SMEs and corporate clients. Thanks to a well-structured interface and intuitive navigation the users can conveniently manage the finance of their company and authorize transactions. The design of the application was refreshed. The client can review the most vital information and has access to key functions on the main page right after logging in (using a code or biometric). The 'task assistant' reminds the client about new orders waiting for authorization.

Key news regarding mBank Group

mBank's analysts revised up the forecast for Polish GDP growth to 4.7% YoY in 2021



The GDP growth in Poland is expected to reach 4.7% YoY in 2021, according to mBank's analysts. The improvement compared to the previous estimate of 3.8% is attributable to outperforming macroeconomic results, which turned out to be better than the forecast. The GDP in Q1 2021 is foreseen to have declined by 1% YoY. With every wave of COVID-19 infections businesses tend to adapt better to operating in a pandemic environment and the impact on economy remains less severe.

Inflation rose to 4.3% YoY in April and 3.2% YoY in March, driven mainly by food and fuel prices. It was also boosted by core inflation, which reached 3.7% YoY in April and 3.9% YoY in March. This reading was a surprise compared to the market consensus. The highest contribution to the core inflation in March came from higher prices in communication (+2.6% MoM). mBank's analysts anticipate its further growth and persisting inflationary pressure in the coming months. The inflation is seen to exceed the National Bank of Poland's target with a permissible fluctuation band of +/- 1% and stand at 4.6-4.7% in May and at c. 5% in H2 2021. With the economic revival, the demand pressure supported by the improvement of the labour market situation is expected to increase. On the one hand, the depreciation of zloty boosted income of exporters, while on the other hand it provided no protection against global increase of prices. mBank's analysts are of the opinion that the Monetary Policy Council will consider rate hikes next year, with the actual changes materialising at the end of 2022 together with monetary policy normalisation.

Industrial production advanced in March to 18.9% YoY, positively surprising the market (expected dynamics of 12.5% YoY). The reading was a result of low base and advantageous difference in the number of working days. The production outperformed both the pre-pandemic trend and the development observed over the last 10 years. Manufacturing climbed to 20.7% YoY. These increases are a sign of optimism in the industry and a consequence of positive impact of the global trends. Dynamics of the producer prices went up to 3.9%. The most significant contributors were energy carriers and raw materials. Base prices (excluding external factors) rose only slightly (+0.2% YoY) and their growth is seen to accelerate. mBank's analysts expect further expansion of producer prices in connection to the predicaments on the supply side.

Retail sales accelerated in March to 15.2% YoY, beating the forecast, while the seasonally adjusted data indicated a mild decline of 2% MoM, which was a result of stricter restrictions. Retail sales are expected to have reached c. 1% YoY in Q1 2021 (-3.2% YoY in Q1 2020). Consumption will increase by 5-6% in 2021, according to mBank's analysts.

Employment continues to steadily decline, with -1.3% YoY in March compared to the consensus of -1.2% YoY. The drop might have been connected with ongoing lockdowns which further impair the labour market situation in April. However, good state of the industry should influence it positively, according to mBank's analysts. Average wages rose by 8% YoY in March, beating the

predictions of 5.4% YoY. The reading was a result of boosts related to customary bonuses and overtime payments as well as a higher number of working days compared to the previous year, according to Statistics Poland. mBank's analysts believe that the observed revival in the industry and insufficient number of new hiring led to the increase of wages. Although the pressure is not expected to continue due to the one-off nature of the listed factors, the dynamics of wages will remain lofty due to the low base YoY.

Account for video gamers is now available at mBank

mBank introduced a special offer for video gamers which include two payment cards with gaming-inspired design, a yearly subscription to G2A Plus and a refund of PLN 100. The offer is addressed to new clients who have not opened an account at mBank yet. The benefits of the subscription to G2A Plus comprise of discounts and special deals on games available on the G2A.COM platform and one free game per month. G2A.COM is the largest marketplace dedicated to gamers and enthusiasts of innovative technology and gadgets. The offer is limited to 5,000 new clients.

mBank received international recognition

ICAN Institute and MIT Sloan Management Review Poland awarded mBank for its project regarding mobile workplace. The project received a distinction in the category "Technology and Organization" in a prestigious Master of Innovative Transformation competition. The contest aims to select leaders of digital transformation in Poland. Moreover, mBank's Brokerage Bureau was awarded the title of "Brokerage house of the year" during the Invest Cuffs 2021 event. The laureates were chosen by individual investors. It was the seventh edition of the conference which brings together several thousand participants each year. mBank's employees were also recognized. Rafał Jakubowski, a director of retail marketing at mBank, was awarded a distinction in the AD WO/MAN contest 2020 in the category "Ad marketer of the year".

Forthcoming corporate access events

16.06.2021	WOOD's EM Financials & Real Estate Conference (virtual event)
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Forthcoming reporting events

03.08.2021	Semi-annual Financial Report of mBank Group for H1 2021
03.11.2021	mBank Group Financial Report for Q3 2021
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

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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