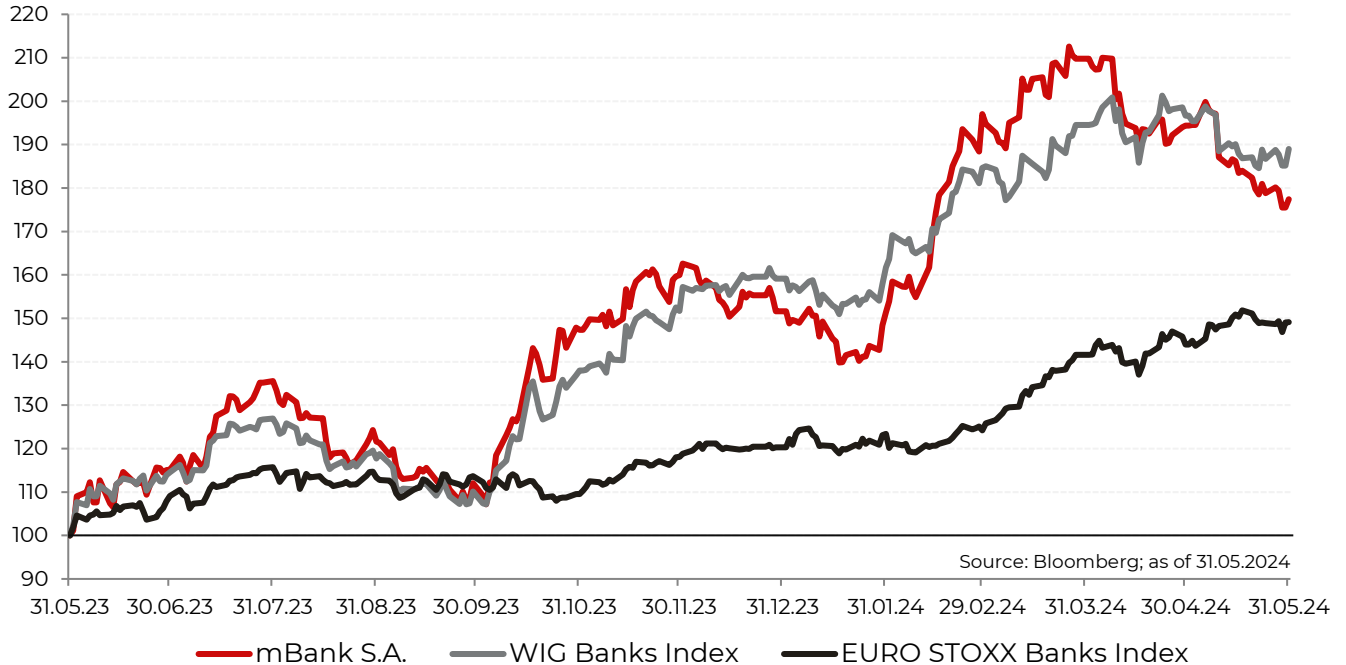


Share price performance summary

In May, mBank's share price decreased by 8.72%, while the WIG-Banks index declined by 3.88%. The EURO STOXX Banks Index went up by 3.62% in the same period.

Last 12 months – chart



change in the period	2Q'23	3Q'23	4Q'23	2023	1Q'24	2024 YtD
mBank	+32.54%	-2.66%	+35.34%	+80.74%	+38.36%	+17.01%
WIG Banks Index	+27.01%	-3.83%	+44.48%	+76.94%	+22.26%	+18.79%
EURO STOXX Banks Index	+5.30%	+4.19%	+5.84%	+23.49%	+17.71%	+24.01%

Consensus estimates for mBank Group's results

Financials (in PLN million)	2022	2023	2024E		2025E	
			estimate	Δ vs. 2023	estimate	Δ vs. 2024E
Net interest income	5,924	8,873	8,824	-0.6%	8,888	+0.7%
Net fee income	2,120	1,916	1,978	+3.2%	2,054	+3.8%
Total income	7,857	10,802	10,965	+1.5%	11,087	+1.1%
Total costs	-3,319	-3,074	-3,402	+10.7%	-3,695	+8.6%
LLPs & FV change	-849	-1,106	-951	-14.0%	-991	+4.2%
CHF legal provisions	-3,112	-4,908	-1,618	-67.0%	-235	-85.5%
Operating profit	576	1,714	4,994	+191.3%	6,166	+23.5%
Net result	-703	24	2,809	117x	3,988	+42.0%
Net loans	120,183	113,521	117,836	+3.8%	124,788	+5.9%
Assets	209,892	226,981	238,596	+5.1%	252,589	+5.9%
Deposits	174,131	185,467	196,241	+5.8%	206,315	+5.1%

Contributing research by: BOŚ Brokerage, Citi Research, Erste Group, Ipopema, Pekao Brokerage, PKO Securities, Santander Brokerage, Raiffeisen, Trigon DM, Wood & Company.

Special topic:

S&P Global Ratings revised up mBank's rating outlook to positive

On May 17, 2024, S&P Global Ratings revised its outlook on mBank to positive from stable. At the same time, the agency affirmed its 'BBB/A-2' long- and short-term issuer credit ratings on mBank, and its 'BBB' and 'BB+' issue ratings on the bank's senior unsecured and senior subordinated instruments.

S&P's decision was driven by strong underlying performance and expected de-risking related to CHF mortgage loans. The agency believes that legal costs will remain substantial but gradually recede over the two-year outlook horizon. Loan growth should pick up in 2024, supporting net interest income and fee income growth. The bank's digital operating model continues to generate excellent cost efficiency, and risk costs should remain steady, supported by a benign economic environment in Poland. mBank is also foreseen to maintain adequate capitalization levels and sufficient additional loss-absorbing capacity (ALAC).

Key news regarding mBank Group

Based on the flash estimate, Polish CPI amounted to 2.5% YoY in May 2024



Gross Domestic Product in Poland increased by 1.9% YoY (+0.4% QoQ) in Q1 2024, according to the preliminary data of Statistics Poland. This result slightly surpassed the consensus of 1.8% YoY, but is in line with the analysts' expectations for the full year growth. Despite minor positive surprise, the start of the year is still dull. mBank's economists have not changed their view on GDP dynamics. They foresee it to improve, driven by consumption growth of 2.8% YoY and a rise in investments of 11.7% YoY.

Inflation rebounded to 2.4% YoY (+1.0% MoM) in April 2024, compared to 2.0% YoY (+0.2% MoM) in March 2024. According to the flash estimate published by the Statistics Poland, it amounted to 2.5% YoY (+0.1% MoM) in May 2024. The reading in April was driven by rising prices of food and non-alcoholic beverages (+2.1% MoM) and also higher prices of fuel (+2.1% MoM). Core inflation reached 4.1% YoY and was much lower than in the previous month (4.6% YoY). Despite this decline, mBank's analysts expect core inflation not only to remain at elevated levels but also to rise to around 5-6% YoY at the end of 2024. They argue that a stronger consumption, supported by high real wages and a relatively tight labour market, creates an ideal environment for base price increases.

Industrial production jumped by 7.9% YoY in April 2024, what places this result well above the market consensus (5.4% YoY). Data suggest that the reading in March was largely driven by one-off effects. Looking into the details of individual production categories, there were no significant fluctuations in this segment of the data. In terms of types of goods, the return of consumer durables to the trend is closer and closer. It is worth noting that this category is currently growing the most. The producer price index plunged by 8.6% YoY in April 2024. The annual decline of this indicator was a surprise compared to the consensus of -8.3% YoY. mBank's analysts emphasize that the level of producer prices has stopped falling. The index is expected to approach neutral levels during this year, while next year is foreseen to bring permanently positive readings. Economists also indicate that rising prices of industrial raw materials in recent weeks will also be reflected in producer prices.

Retail sales went up by 4.1% YoY in April 2024, below the market consensus of 5.2% YoY. Seasonally adjusted measure showed that sales fell by 3.5% compared to March. mBank's

analysts presume that the reason for the decrease of this index compared to the previous month may be the reinstatement of the VAT rate on food. This is a factor that directly determines the retail outcome at constant prices and indirectly through its impact on consumer behaviour.

Employment went down by 0.4% YoY in April 2024, slightly more than assumed by the market consensus of -0.3% YoY. Its trajectory since the beginning of this year is the worst development in recent years. The result was driven by strong employment declines in industrial processing, transport and warehousing. These decreases were not offset by the rise in employment in the other categories, as it was the case in the previous year. Wages grew by 11.3% YoY in April 2024. This reading turned out to be lower than the average market expectations of 12.1% YoY. Although this result was a negative surprise, it is difficult to talk about a big issue that would change analysts' view on the future of this category. Dynamics of salaries remain high and are seen as a challenge for the Monetary Policy Council (MPC) in Poland, which is aiming to bring inflation down to its target.

Upgraded mBank's Finance Manager is even more convenient to use

Finance Manager (Personal Financial Management functionalities – PFM) is a tool available in mBank's mobile application since 2022. It offers extensive support for clients in managing their budgets. By clearly presenting current inflows and expenditures, categorising them and comparing over time, it allows to efficiently analyse the finances on an ongoing basis. Finance Manager has attracted 1.5 million users, i.e. almost half of the active user base of the application.

In the latest update of mBank's application, the view of the main screen of "my assets – summary" tab was upgraded to increase its ergonomics and visibility. Percentage charts were added to facilitate data analysis. Clients can also navigate to other sections of the application more quickly. Checking of the details of operations was simplified as well.

mBank plans to further develop the PFM functionally and ultimately enable customers to manage their entire finances in one place. It will be supplemented with solutions that will motivate them to save for retirement and suggest how best to do so. The tool is intended to make customers' lives easier and strengthen their relationship with the bank.

Performance Marketing Diamonds won by mBank

mBank won the main prize of the "Performance Marketing Diamonds" competition in the "The most creative mobile campaign" category. mBank's acquisition campaign in the mobile onboarding process stood out amongst nearly 100 other applications.

Performance Marketing Diamonds EU is the contest organized by The Chamber of Digital Economy in Poland. It is the first international contest in Poland that focuses on performance and affiliate marketing.

Forthcoming corporate access events

13-14.06.2024	UBS Financial Institutions Conference in Lausanne
9-10.09.2024	21th Emerging Europe Investment Conference by Pekao Brokerage
19-20.09.2024	European Financials Conference by mBank Brokerage in Warsaw

Forthcoming reporting events

01.08.2024	Semi-annual Financial Report of mBank Group for H1 2024
31.10.2024	mBank Group Financial Report for Q3 2024
06.02.2025	Selected non-audited financial data of mBank Group for Q4 2024
28.02.2025	Annual Financial Report of mBank Group for 2024

mBank's shares:

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 465 167
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-20, WIG-30, WIG-Banks, WIG-ESG

**For New Investors
ESG Annual Report**Newsletter archive – [click here](#)

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