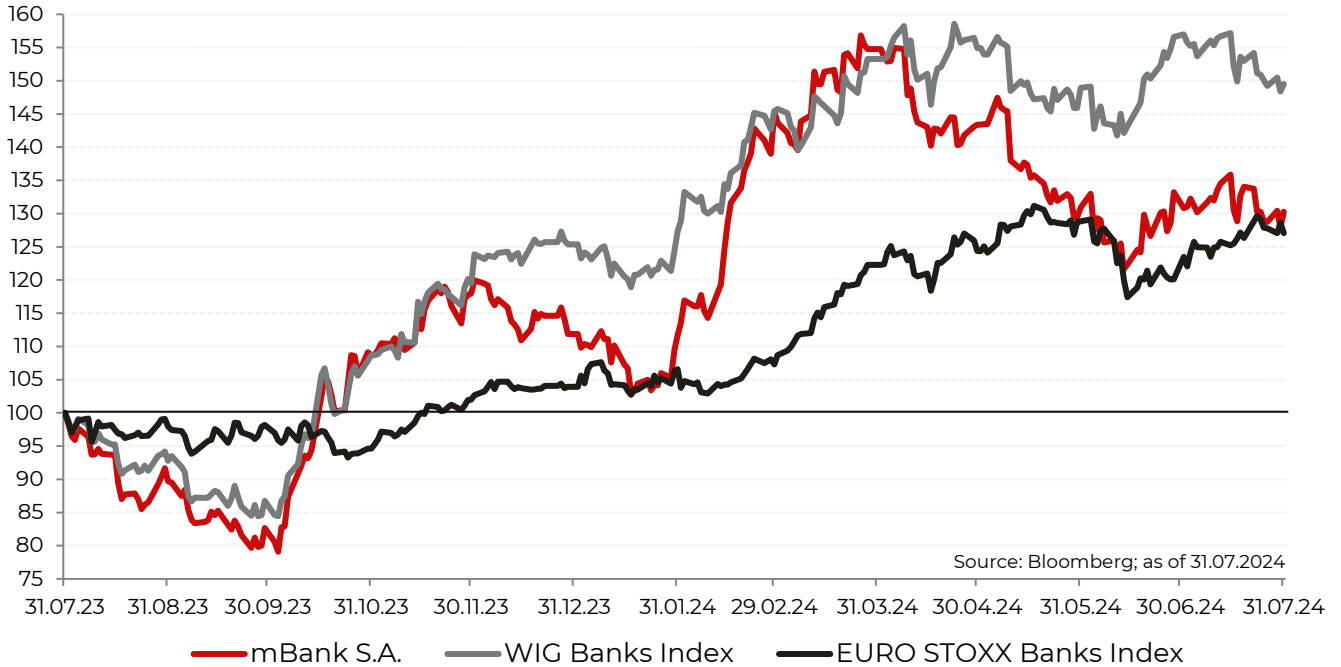


Share price performance summary

In July, mBank's share price decreased by 2.20%, while the WIG-Banks index declined by 4.51%. The EURO STOXX Banks Index went up by 5.77% in the same period.

Last 12 months – chart



change in the period	3Q'23	4Q'23	2023	1Q'24	2Q'24	2024 YtD
mBank	-2.66%	+35.34%	+80.74%	+38.36%	-13.94%	+16.45%
WIG Banks Index	-3.83%	+44.48%	+76.94%	+22.26%	+2.17%	+19.28%
EURO STOXX Banks Index	+4.19%	+5.84%	+23.49%	+17.71%	-1.79%	+22.27%

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	8,998	+1.4%	8,963	-0.4%
Net fee income	2,120	1,916	1,958	+2.2%	2,057	+5.0%
Total income	7,857	10,802	11,098	+2.7%	11,133	+0.3%
Total costs	-3,319	-3,074	-3,402	+10.6%	-3,716	+9.2%
LLPs & FV change	-849	-1,106	-930	-15.9%	-1,012	+8.8%
CHF legal provisions	-3,112	-4,908	-2,359	-51.9%	-335	-85.8%
Operating profit	576	1,714	4,408	+157.1%	6,070	+37.7%
Net result	-703	24	2,235	92.9x	3,957	+77.0%
Net loans	120,183	113,521	117,983	+3.9%	125,233	+6.1%
Assets	209,892	226,981	237,848	+4.8%	251,446	+5.7%
Deposits	174,131	185,467	194,159	+4.7%	203,950	+5.0%

Contributing research (published after 01.03.2024) by: Citi Research, Erste Group, Pekao Brokerage, PKO Securities, Raiffeisen, Trigon DM, Wood & Company.

Special topic:

Decision to retain entire mBank's net profit for 2024

On July 24, 2024, the Management Board decided to update the „Capital management strategy of mBank Group”. It assumes that no dividend will be paid out from the profit earned by the bank in 2024. On July 25, 2024, the Supervisory Board approved the amended document.

mBank plans to use the retained profit for dynamic lending growth and further business development while keeping the capital buffers above the regulatory requirements. It will also ensure maintaining the Tier 1 capital ratio at a level of at least 2.5 p.p. above the minimum requirements at the end of the year, in line with mBank Group's Strategy for 2021-2025. The long-term dividend strategy of the bank for subsequent years assumes dividend pay-out at the level of 50% of net profit.

Key news regarding mBank Group

Based on the flash estimate, Polish CPI accelerated to 4.2% YoY in July 2024



mBank's analysts expect that Gross Domestic Product in Poland will increase from 2.0% YoY recorded in Q1 2024 to 3.1% YoY in Q2 2024. They also estimate that the services sector may surprise on the positive side. In addition, the analysts maintain their forecast for full-year GDP growth at 3.5% YoY in 2024. The main driver is foreseen to be the rise in private consumption, fuelled by the improvement of the real wage fund and the valorization of the 500+ program. However, a negative signal for the economy is the uncertain status of "Flat for Start" program, which was supposed to support the recovery of the construction sector.

Inflation rose by 2.6% YoY in June 2024. This reading translated into a modest increase against the previous month by 0.1%. Fuel prices declined by 2.8% MoM and energy prices fell by a marginal 0.1% MoM. The surprise for analysts was a rise in food prices by 0.7% MoM. This result may be explained by the attempt to adjust retail prices to the VAT increase by the government in April 2024. Core inflation amounted to 3.6% YoY (0.1% MoM) in June 2024, which means a slight deceleration of this indicator compared to the previous month. In line with assessment of mBank's analysts, inflation began to rebound from the trough. According to the flash estimate published by Statistics Poland, CPI amounted to 4.2% YoY (1.4% MoM) in July 2024. The further development of inflation is seen in the range of 5.0-5.5% by the end of the current year.

Industrial production increased by 0.3% YoY (compared to the market consensus of -1.1% YoY) in June 2024. At first glance, this result is not outstanding, but seasonally adjusted growth amounted to 1.3% MoM, which is one of the better results in recent times (after excluding the disruption in March/April). Industrial processing was responsible for the positive value of this indicator. Growth is still being generated in industries producing for the domestic market, while export-oriented sectors experience declines. Producer Price Index went down by 6.1% YoY (0.1% MoM) in June 2024. The largest price drop of 15.3% YoY (0.2% MoM) was recorded in the category of electricity, gas, steam and hot water. The mining and quarrying sector also saw a price fall of 5.5% YoY (1.8% MoM) in June 2024. The opposite situation was observed in the following categories: water supply, sewage and waste management and recultivation. In this section, the price increase amounted to 2.5% YoY (0.1% MoM).

Retail sales improved, rising by 4.4% YoY in June 2024. Seasonally adjusted data presents even better. On a month-to-month basis retail sales increased by 1.5%. The automotive industry continued to perform relatively well (the trend in this section is clearly upward since almost the

beginning of the previous year), but weaker sales were recorded for clothing. The aspect that may be of concern is the fact that in the whole quarter, sales advanced by 4.5% YoY, which means a slight slowdown from 5.1% YoY in the first three months of the year.

Employment slipped by 0.4% YoY in June 2024. Demand for labour has remained relatively stable (although it is important to note weakness recorded in some sectors such as processing, accommodation and catering). In the upcoming quarters, mBank's analysts expect a slight growth in this respect. Wages rose by 11.0% YoY in June 2024. mBank's analysts are optimistic about the normalization of wage growth in subsequent periods. The double-digit dynamics of this index will be visible in the coming months, but then the expiration of the wage pressure should be noted. According to mBank's analysts, the following year should bring more noticeable slowdown and the reasons for this predictions remain the same, including a different structure of demand for labour, the activation of reserves in labour ratios and transitions between sectors.

Changes in mBank's Management Board

On June 5, 2024, Cezary Kocik was conditionally appointed as President of the Management Board of mBank. The appointment by the Supervisory Board is conditional on obtaining the consent of the Polish Financial Supervision Authority. Moreover, on July 25, 2024, mBank's Supervisory Board appointed Krzysztof Bratos to the Management Board of mBank as Vice-President responsible for Retail Banking, replacing Cezary Kocik, effective as of next day.

Cezary Kocik was the Vice-President of the Management Board and Head of Retail Banking since 2012. In turn, Krzysztof Bratos has gained over 18 years of banking experience in various global institutions. He has been working in mBank Group since 2015. Since 2021, he has been the managing director responsible for private banking, wealth management and a brokerage bureau.

On July 4, 2024, Cezary Stypułkowski stepped down from the position of President of the Management Board of mBank with immediate effect. His resignation was submitted following consultations with the Supervisory Board and constituted an integral part of the succession process announced earlier.

LeaseLink introduces Buy Now Pay Later to its offer

Leaselink, a fintech and a subsidiary of mLeasing, introduced deferred payments (Buy Now Pay Later – BNPL) to its offer. The solution complements the already extensive scope of payment methods available to LeaseLink's corporate clients, which include leasing, instalments, and BNPL. In Q3 2024, the fintech intends to implement rental of equipment and merchant finance.

The BNPL service allows for postponement of the payment by 30 days. Furthermore, entrepreneurs who will not fulfil their financial obligation within the specified timeframe will be able to pay it back in instalments.

mBank published its 2023 ESG Report

The latest publication is available at the company's website [HERE](#). It was prepared in line with the international reporting standard Global Reporting Initiative.

Forthcoming corporate access events

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	42 496 973
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-20, WIG-30, WIG-Banks, WIG-ESG

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