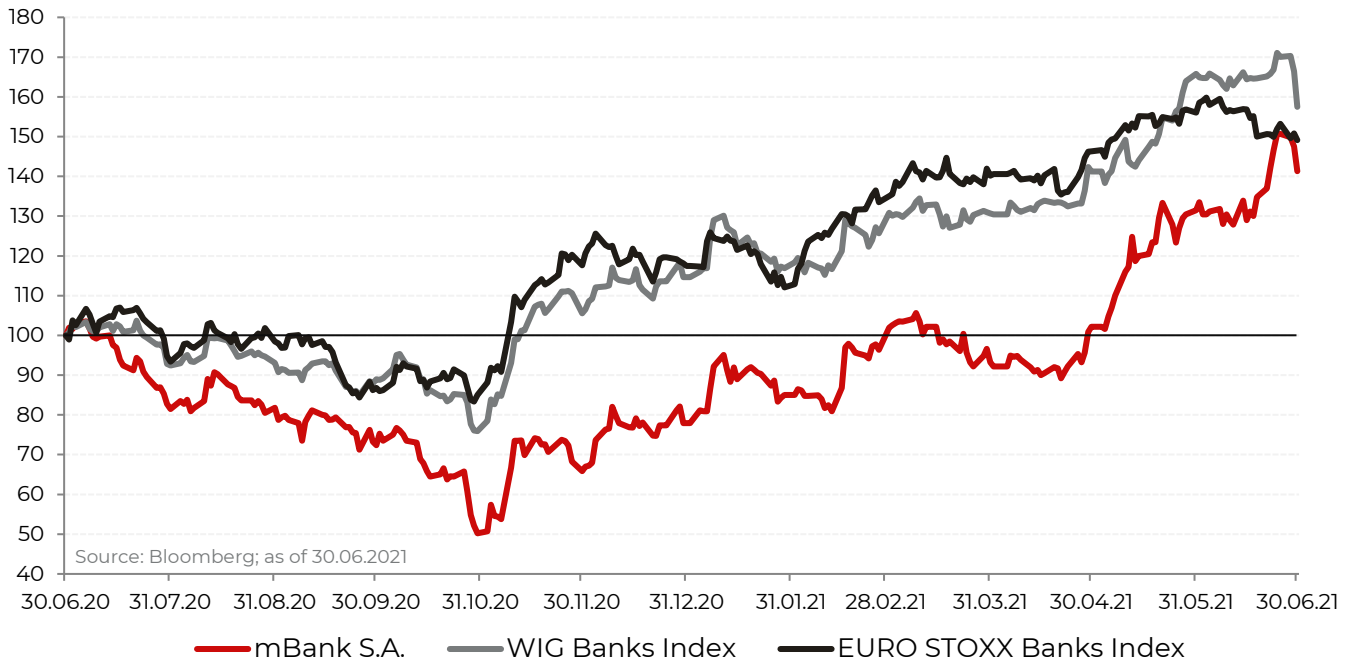


Share price performance summary

In June mBank's share price increased by 7.47%, while the WIG-Banks index declined by 5.00%. The EURO STOXX Banks Index went down by 4.44% in the same period.

Last 12 months – chart



change in the period	3Q'20	4Q'20	2020	1Q'21	2Q'21	2021YtD
mBank	-27.65%	+7.69%	-53.98%	+19.64%	+51.59%	+81.36%
WIG Banks Index	-11.03%	+28.84%	-29.59%	+13.99%	+20.54%	+37.41%
EURO STOXX Banks Index	-13.24%	+35.36%	-23.72%	+19.38%	+6.35%	+26.96%

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	3 989	-0.5%	4 244	+6.4%
Net F&C income	1 271	1 508	1 643	+8.9%	1 702	+3.6%
Total income	5 524	5 867	5 875	+0.1%	6 162	+4.9%
Total costs	-2 329	-2 411	-2 431	+0.8%	-2 521	+3.7%
LLPs & FV change	-794	-1 293	-1 229	-4.9%	-1 062	-13.6%
Operating profit	2 014	1 141	920	-19.4%	1 697	+84.5%
Net profit	1 010	104	-139	+/-	528	-/+
Net loans	104 980	108 567	114 624	+5.6%	121 077	+5.6%
Assets	158 353	178 872	189 914	+6.2%	198 411	+4.5%
Deposits	116 661	137 699	148 822	+8.1%	156 620	+5.2%

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:

Google Pay and Garmin Pay are now available for mBank's corporate clients

Starting from June 18, mBank's corporate clients can use two new applications for payments: Google Pay and Garmin Pay. Transactions with Google Pay are fast and simple. It is accepted for payments in multiple places, including the Internet, applications and stores. Clients can manage their cards, exchange loyalty points and receive personalized suggestions for saving time and money. For the clients who prefer to pay with their smartwatch, instead of using traditional wallet or smartphone, mBank launched Garmin Pay. It works at all sales or service points, where contactless transactions are available.

Key news regarding mBank Group

mBank's analysts forecast Polish GDP to grow by 5.7% YoY in 2021



The GDP in Poland contracted by 0.9% YoY in Q1 2021 (better than the flash estimate of -1.2% YoY and the consensus of -1.0% YoY). mBank's analysts revised up their GDP growth forecast to 5.7% YoY in 2021 due to earlier commencement of a new investment cycle. The PMI reading, which climbed to 57.2 pts in May and was the highest in the history of the index, supports this macroeconomic estimation.

Inflation decelerated to 4.4% YoY in June 2021. The core inflation is estimated to have reached 3.5% YoY, according to mBank's analysts. In May, inflation climbed to 4.7% YoY, what has been this year's peak so far. Previously, that value was recorded in February 2020. Although the lofty reading was still driven by base effects, fuel prices (which rose 33% YoY) contributed as well. The prices of food and energy increased in May by 0.6% MoM and 0.2% MoM, respectively. mBank's analysts evaluate that the core inflation reached 4% YoY, driven mostly by prices of shoes and clothes. However, the monthly growth pace of these prices was approximately the same as in 2019. It is believed that there is a slim chance that inflation will significantly decrease this year. In view of the accelerating economy, mBank's analysts still anticipate the first interest rate hike to happen in Q1 2022.

Industrial production rose by 29.8% YoY in May, slightly beating the consensus. The lower reading was a consequence of issues on the supply side and raw material shortages. The prospects for industrial production remain positive, despite that the solid growth pace which was connected to the restart of supply chains is not expected to repeat. In the coming months, output of the industrial sector should increase approximately as before the pandemic thanks to high demand and realizing overdue production. Producer Price Index (PPI) accelerated to 6.5% YoY, reaching its peak and the dynamics are foreseen to slow down, according to mBank's analysts.

Retail sales surprised positively in May, advancing by 13.9% YoY, compared to the consensus of 12.9% YoY. This new record was driven by eased restrictions and higher consumer spending. The sales of clothes and shoes jumped by 92.5% MoM, furniture, household appliances & audio/video devices were up by 30% MoM, while newspapers and books rose by 48.8% MoM. Simultaneously, sales via digital channels dropped by 7.8% MoM. Although fuelled by pent-up demand, retail sales unhurriedly adopts the pre-pandemic trend, spending still does not match it. Seasonally adjusted retail sales exceeded the pre-pandemic levels, while commodity spending is the highest in the Polish history. Sales of cars is anticipated to increase in the coming months. The supply and demand imbalance caused by bottlenecks might be mitigated by higher prices, longer waiting times and gradually by a growth of production. mBank's analysts believe that retail sales will keep expanding to meet the pre-pandemic trend, due to aforementioned pent-up demand, good

labour market situation and unlikely further restrictions. As a result, consumption should rebound remarkably this year and drive the GDP growth.

Dynamics of employment improved to 2.7% YoY in May 2021, beating the forecast of 2.4% YoY. The wages grew notably by 10.1% YoY, very close to the consensus of 10.2% YoY. Despite base effect being the key reason for the increase, it nevertheless is an evidence of good labour market situation in Poland. The number of FTEs increased by 21.6k, the most in the last 25 years. However, the change stemmed from low basis, as in April employees took furloughs (in order to take care of children, quarantine) and sick leaves were more frequent than in May, according to Statistics Poland. Another factors included new hires and increase of employee working hours to the pre-pandemic level. mBank's analysts assess it as an outcome of good situation for industrial production and lifted restrictions in food and entertainment sectors. Although employment still has not rebounded to the pre-pandemic level, the outlook, backed by further revival of the economy, is hopeful. So far, the settlement of the aid programme of the Polish Development Fund (PFR Financial Shield) has not proven to be detrimental to the labour market.

mBank remains committed to ESG activities

mBank brokered a green bond issuance programme of R.POWER. This largest Polish developer of photovoltaic plants has set a target of up to PLN 1 billion nominal value of green bonds to be issued. The first tranche of 5-year maturity amounted to PLN 150 million. Obtained funds will finance new PV projects and the development of the already existing ones. In the recent weeks, mBank has also implemented rules for financing small photovoltaic systems under Project Finance format and preferential approach for financing photovoltaics for own consumption which will support SMEs in energy transformation.

In June, the winners of the eight edition of mPotęga contest were selected. mPotęga (mPower) is a grant programme of mBank's Foundation, aimed at inspiring teachers, parents and social organisations to look for creative and attractive ways for children and teenagers to familiarize with the maths and numbers. So far, 1 thousand educational projects have been supported with PLN 6 million of funds. This year, 161 ideas will receive almost PLN 943 thousand in total. The 30 best projects have now a chance to be awarded the Audience Prize. Until July 4, you can vote here: <https://mpotega.pl/glosowanie/>.

Forthcoming corporate access events

22.09.2021	26th Annual Financials CEO Virtual Conference 2021 by BofA Securities
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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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