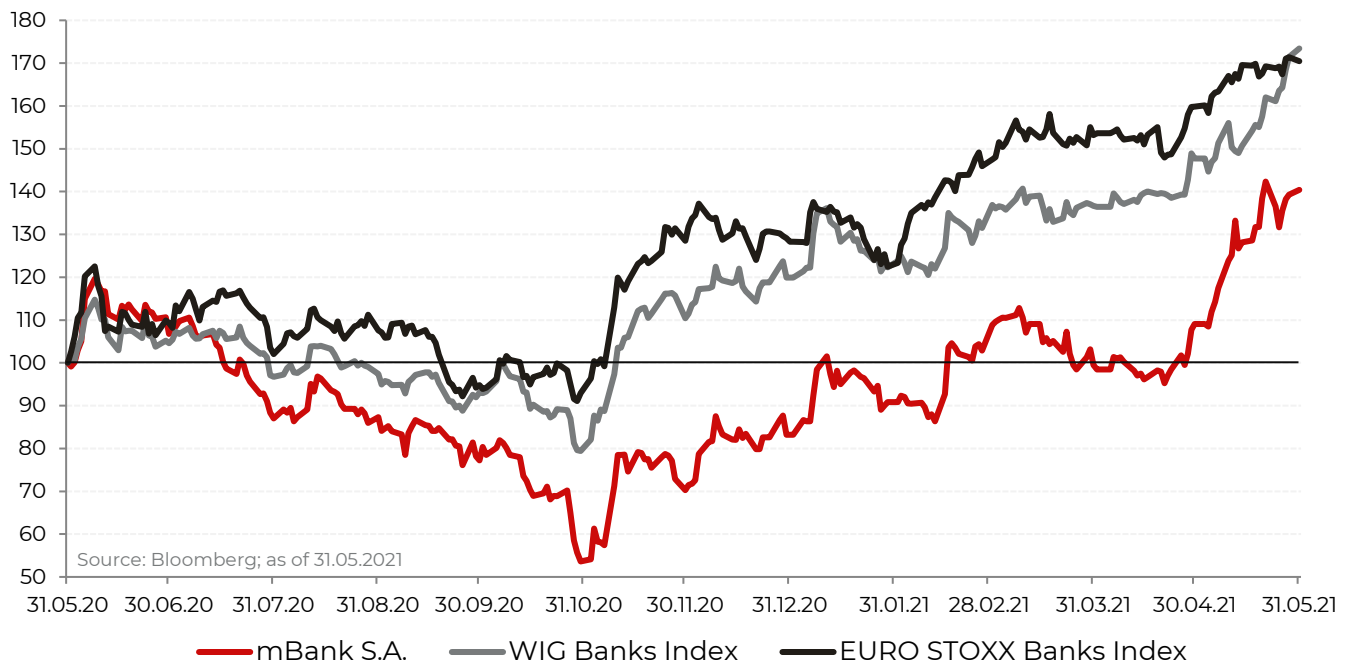


Share price performance summary

In May mBank's share price increased by 28.68%, while the WIG-Banks index rose by 17.42%. The EURO STOXX Banks Index went up by 6.66% 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%	+68.75%
WIG Banks Index	+0.06%	-11.03%	+28.84%	-29.59%	+13.99%	+44.63%
EURO STOXX Banks Index	+15.61%	-13.24%	+35.36%	-23.72%	+19.38%	+32.86%

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	3 977	-0.8%	4 198	+5.6%
Net F&C income	1 271	1 508	1 621	+7.5%	1 681	+3.7%
Total income	5 524	5 867	5 834	-0.6%	6 091	+4.4%
Total costs	-2 329	-2 411	-2 438	+1.1%	-2 524	+3.5%
LLPs & FV change	-794	-1 293	-1 286	-0.5%	-1 093	-15.0%
Operating profit	2 014	1 141	807	-29.3%	1 594	+97.5%
Net profit	1 010	104	-217	+/-	461	-/+
Net loans	104 980	108 567	114 033	+5.0%	120 166	+5.4%
Assets	158 353	178 872	187 630	+4.9%	195 667	+4.3%
Deposits	116 661	137 699	146 090	+6.1%	153 392	+5.0%

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:

Apple Pay available for mBank's corporate clients

In May, mBank provided its corporate clients with Apple Pay service. This safe contactless payment solution is particularly useful during the pandemic as the client avoids touching the terminal or cash. To make the payment transaction, the user places the iPhone or Apple Watch close to the terminal. The security of every payment transaction is ensured by Face ID, Touch ID or a code. Apple Pay is accepted in many service points including shops, restaurants, cafes etc. Clients can easily activate the Apple Pay on their iPhone, Apple Watch, iPad or Mac computer.

Key news regarding mBank Group

mBank's analysts revised up the forecast for Polish GDP growth to 5.7% YoY in 2021



The GDP in Poland contracted by 0.9% YoY in Q1 2021. The result turned out to be better than the flash estimate of Statistics Poland at -1.2% YoY and the consensus (-1.0% YoY). mBank's analysts decided to revise up their GDP forecast to 5.7% YoY in 2021 due to earlier commencement of a new investment cycle reflected in significant outperformance of investment growth (+1.3% YoY compared to the market consensus of -7.9% YoY).

Inflation accelerated to 4.3% YoY in April 2021, driven mainly by food and fuel prices. In turn, the core inflation remained unchanged from March, when reached 3.9% YoY, but is seen to increase further in line with the opening of economy, according to mBank's analysts. Although the pace of core inflation is then expected to decelerate, it will persist in augmenting the development of inflation. With a boost from rising consumption, the inflation is not projected to fall significantly below 4% in the next 2 years by mBank's analysts. They believe the rate hikes might happen in Q1 2022 on account of reviving economy. The Monetary Policy Council is not foreseen to counter the inflation in the near future, as it views the factors which contributed to the increase of inflation (base effects, prices of raw materials, administered prices, temporary disruptions of global supply chains) as immune to the monetary policy. The MPC also anticipates the inflation to exceed the target level in the coming months, and decrease in 2022. According to the MPC, the economic and labour market situation will have the key impact on the inflation path in 2022.

Industrial production advanced in April by 44.5% YoY, in line with the consensus (+44.0% YoY). The reading was a result of low base and driven mostly by the growth of manufacturing (+50.6% YoY, with main contributors: car production +470.5% YoY, leather production +249.7%, furniture production +225.8%). These increases are a sign of optimism. Although industrial production is anticipated to slow down, it will remain elevated in the coming months due to pent-up demand and rebounding stock. The deceleration has already been reflected in the monthly statistics. Industrial production contracted by 0.4% MoM in April, in consequence of advancing supply chain disruptions, a trend observed both in Europe and the United States, and furloughs.

Retail sales rose in April by 21.1% YoY from +15.2% in March. The dynamics were impacted by base effects and lowered by timing of Easter holidays and restrictions. Seasonally adjusted retail sales decreased by 6.8% MoM. According to mBank's analysts, further declines in May are unlikely due to relaxation of pandemic restrictions. Consumption rose by 0.2% YoY in Q1 2021 and is expected to grow further due to reopening of the service sector, favourable tax provisions of "New Deal" programme and improving situation of the labour market.

Average employment in the enterprise sector went up by 0.9 YoY in April 2021. The increase resulted from base effect, as the number of FTEs decreased by 13.4 thousands MoM. Average wages rose by 9.9% YoY in April compared to the consensus of +10.3 YoY. Although both readings

disappointed the market, mBank's analysts believe that they were an effect of furloughs taken due to nursery and kindergarten closures, as the conjunctural indicators did not imply large-scale FTE reductions. They assess the labour market situation as relatively hopeful. The elevated inflation and possible predicaments on the supply side are expected to contribute to the increase of wage pressure, while the employment is seen to improve in the coming months thanks to reopening of the economy. mBank's analysts estimate the growth of wages to reach 7-8% YoY in H2 2021 and gradually lower to 5-6% YoY at the end of the year.

Second edition of Digital Revolutions

In May, the second edition of mBank's special educational campaign and contest "Digital Revolutions" started. It is aimed at supporting microfirms and SMEs in e-commerce expansion. The main pillar of the action is a dedicated website cyfrowerewolucje.pl with a step-by-step instruction on how to move the business to internet. Entrepreneurs can find there a free training of efficient sales as well as inspiring case studies of companies successfully operating online. Materials were prepared by experts of e-commerce market. They are free of charge and accessible to everyone, not only mBank's clients.

The idea behind the competition is to carry out a digital revolution in the awarded companies. The bank cooperates with reliable partners, such as: Ceneo, Cube Group, DIMAQ, DPD, Gessel, Ideo Force, Lex Secure PayNow, Samito and Sky-shop.pl. They will help the winners in solving the legal, marketing and technological challenges which accompany the start of an online business. The strategic partner of the contest is Mastercard.

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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