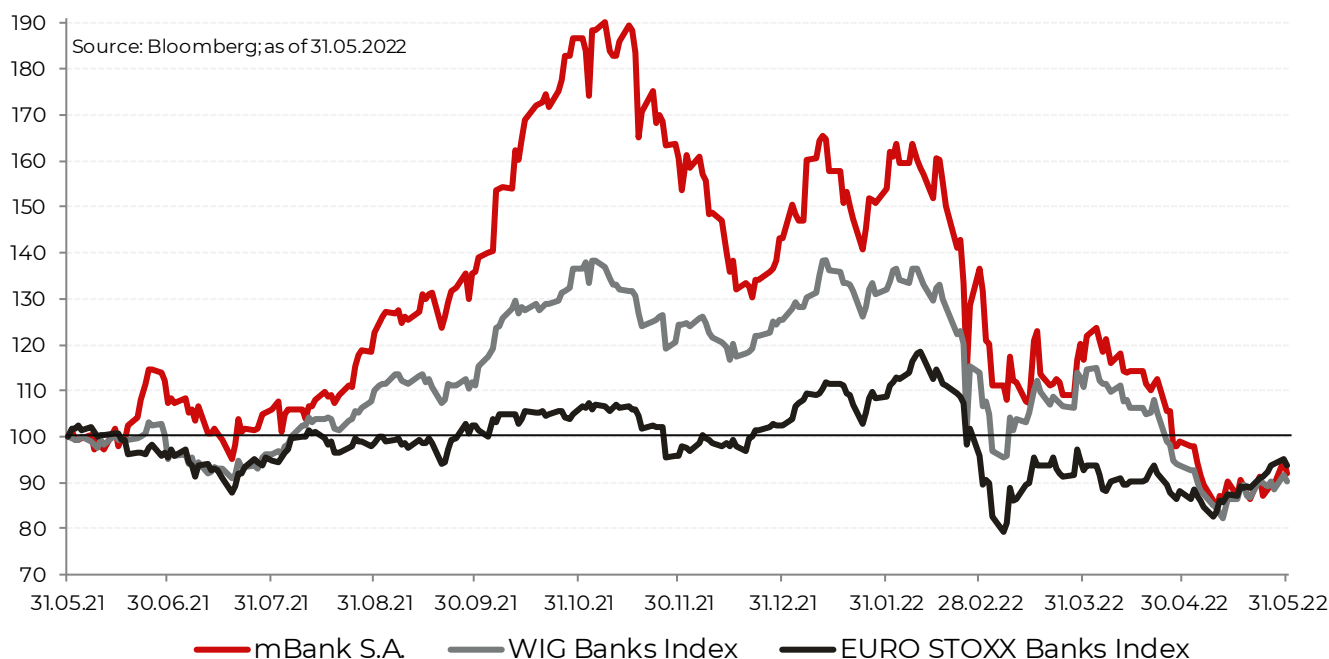


Share price performance summary

In May mBank's share price dropped by 6.95%, while the WIG-Banks index declined by 3.70%. The EURO STOXX Banks Index went up by 6.36% in the same period.

Last 12 months – chart



change in the period	2Q'21	3Q'21	4Q'21	2021	1Q'22	2022 YtD
mBank	+51.59%	+26.46%	+5.40%	+141.74%	-18.47%	-35.73%
WIG Banks Index	+20.54%	+16.95%	+12.83%	+81.32%	-11.54%	-27.92%
EURO STOXX Banks Index	+6.35%	+7.10%	+0.13%	+36.15%	-9.62%	-8.65%

Consensus estimates for mBank Group's results

Financials (in PLN million)	2020	2021	2022E		2023E	
			estimate	Δ vs. 2021	estimate	Δ vs. 2022E
Net interest income	4 009	4 104	5 311	+29.4%	5 685	+7.1%
Net F&C income	1 508	1 890	1 917	+1.5%	1 972	+2.8%
Total income	5 867	6 111	7 391	+20.9%	7 851	+6.2%
Total costs	-2 411	-2 457	-2 684	+9.2%	-2 814	+4.9%
LLPs & FV change	-1 293	-879	-993	+13.0%	-1 088	+9.5%
Operating profit	1 141	18	2 244	127.6x	2 864	+27.6%
Net result	104	-1 179	825	-/+	1 362	+65.2%
Net loans	108 567	118 055	124 598	+5.5%	132 178	+6.1%
Assets	178 872	199 539	206 221	+3.3%	218 942	+6.2%
Deposits	137 699	159 935	164 513	+2.9%	176 847	+7.5%

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

Note: Results for 2020 and particularly for 2021 were negatively impacted by provisions for legal risk related to mortgage loans in foreign currencies (PLN 1,021.7 million and PLN 2,758.1 million, respectively).

Special topic:

mBank with the best ESG rating among Polish banks

Compared to the previous Sustainalytics rating from 2021, mBank improved its result by 1.1 points to 14.8 points. Not only did mBank receive the best rating among Polish banks, but it also came 14th among over 400 universal banks from across the world assessed by Sustainalytics.

The rating concerns the ESG risk, i.e. the effective management of the potential risk related to environmental, social and corporate governance areas. The agency acknowledged that mBank manages ESG risk well in all six dimensions it examined. The Sustainalytics rating is assigned based on assessment of product management, corporate governance, human capital, data privacy and security, business ethics and the integration of financial and ESG aspects.

Key news regarding mBank Group

mBank's analysts continue to foresee Polish GDP growth at ~4.8% YoY in 2022



Polish Gross Domestic Product (GDP) in Q1 2022 advanced by 8.5% YoY. The brilliant start of the year has been lifting forecasts for 2022 (now at 4.8%). It is unsustainable, though. According to mBank's analysts, a solid slowdown brewing underneath annual figures is going to be fully visible in low growth in 2023 (anticipated at 0.7% YoY). Key contributors to the GDP in Q1 2022 were inventories, which added 7.7 p.p., while net export deducted 3.8 p.p. Consumption increased by 6.6% YoY, followed by investments rising by 4.3% YoY. In following quarters, the dynamics are expected to be influenced by lower purchasing power of consumers, high uncertainty and further rate hikes.

Inflation surged to 13.9% YoY in May 2022, according to flash estimate of Statistics Poland. In April, it amounted to 12.4% YoY. Top drivers behind this value were the prices of food (+4.2% MoM, +12.7% YoY) and energy (+2.4% MoM, +27.3% YoY). On the contrary, fuel prices fell slightly (-0.8% MoM, +27.8% YoY). Annual dynamics reflected growth in both prices of commodities (+13.1% YoY) and prices of services (+10.1% YoY), as well as core inflation, which climbed to 7.7% YoY (+1.3% MoM). The pace of price growth is estimated to achieve peak in the summer and decelerate in autumn, according to mBank's analysts. They also foresee core inflation to slow down. The Monetary Policy Council is expected to hike rates by 50-75 bps. mBank's analysts anticipate rates to be raised to 7.0% as a final goal in Q3 2022.

Industrial production increased by 13% YoY in April 2022, finally coming in below the consensus (15.6% YoY) after a long period of exceeding the expectations. It is still significantly above the pre-pandemic trend. Industrial processing has decelerated as well. Producer Price Index rose from 21.9% YoY in March 2022 (value revised up, previously 20% YoY) to 23.3% YoY in April. The data suggest that recession will not occur in the economy in the nearest future.

Retail sales grew by 19% YoY in April 2022, beating the market consensus, on strong furniture and clothing categories. The outperformance on a yearly basis came from base effects. Seasonally adjusted sale of fuel dropped due to lofty prices. Consumption is anticipated to decline in the longer horizon, after deceleration of investment. In April, it was shaped by the demand generated by the refugees and related to Easter holidays. mBank's analysts remain moderately hopeful about the prognosis of consumption for 2022, however the inflation will impede it.

Employment went up by 2.8% YoY in April 2022. The number of FTEs increased by 11 thousand. The readings are regarded as adequate for that period of the year, and the labour market is strong. The demand for labour does not seem to abate. It is, however, looming on the horizon, even if it is not visible in the data yet. Wages rose by 14.1% YoY, consecutively beating the

consensus. The wage pressure which was apparent in the previous months has still contributed to the result. Surprisingly, the trend of salaries is not decelerating and subsequent hikes are no longer based on new one-off factors. Further adjustment of nominal wages is anticipated.

mBank's clients collected over PLN 10 million to help victims of the war in Ukraine

Solutions facilitating donation of funds to the Polish Center for International Aid Foundation (PCPM) were launched in mBank's transactional service as well as in the mobile application. To make a contribution, clients can use a special shortcut on the website or the application's dashboard. Thanks to the cooperation with Paynow - the payment gateway developed within mBank Group - the donations are easy to be made by anyone who will click the "Help" button on the dedicated website www.mBank.pl/ukraina. In this way, in just two months, mBank's clients raised over PLN 10 million to support humanitarian aid provided by the PCPM Foundation.

mBank introduced new product-related ecolabel: the Green Leaf



The Green Leaf may mark a financial product or a process related to its sales or customer service. Products and processes awarded with the Green Leaf are divided into three groups, depending on whether they reduce the consumption of plastic (either completely or the plastic they use is at least in 85% reused), paper (eliminated entirely) or CO₂ (the emission of CO₂ reduced significantly, according to strict guidelines). The criteria mandatory to award a product or a process with the new ecolabel have been screened by the Sustainable Development Committee of mBank Group to avoid greenwashing. The new product-related ecolabel helps spread awareness and eco-friendly attitudes among mBank's clients and motivates them to choose environmentally-friendly financial services. On the other hand, the Green Leaf is the means for mBank to achieve business and environmental targets set in its strategy for 2021-2025.

Banks to support the Polish shipbuilding industry

Syndication of banks signed a line agreement for guarantees and letters of credit with Gdańska Stocznia "Remontowa" J. Piłsudskiego S.A. Its purpose is to support the shipyard's key project in the coming years, related to the construction of Ro-Pax ferries. These will be one of the most environmentally-friendly car and passenger ferries, powered by liquefied natural gas (LNG) in a hybrid system, to be used in the Baltic Sea.

The line provided by the syndicate amounts to EUR 81 million. The project will be implemented thanks to the cooperation of mBank, Santander, BGK and KUKE. Santander acts as the financing agent, mBank is the collateral agent. Each bank will provide guarantees, documentary and security letters of credit related to the deliveries made for the needs of the shipyards. Banks will additionally benefit from counter-guarantees provided by KUKE.

Forthcoming corporate access events

02.06.2022	IPOPEMA CEE Days, online event
09.06.2022	Wood & Co.'s Spring Fling conference in Prague

Forthcoming reporting events

03.08.2022	Semi-annual Financial Report of mBank Group for H1 2022
27.10.2022	mBank Group Financial Report for Q3 2022
09.02.2023	Selected non-audited financial data of mBank Group for Q4 2022
02.03.2023	Annual Financial Report of mBank Group for 2022

mBank's shares:

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 384 884
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-20, WIG-30, WIG-Banks, WIG-ESG

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For any further information, please contact the IR team.

E-mail address: investor.relations@mbank.plmBank S.A.
Investor Relations
ul. Prosta 18
00-850 Warszawa