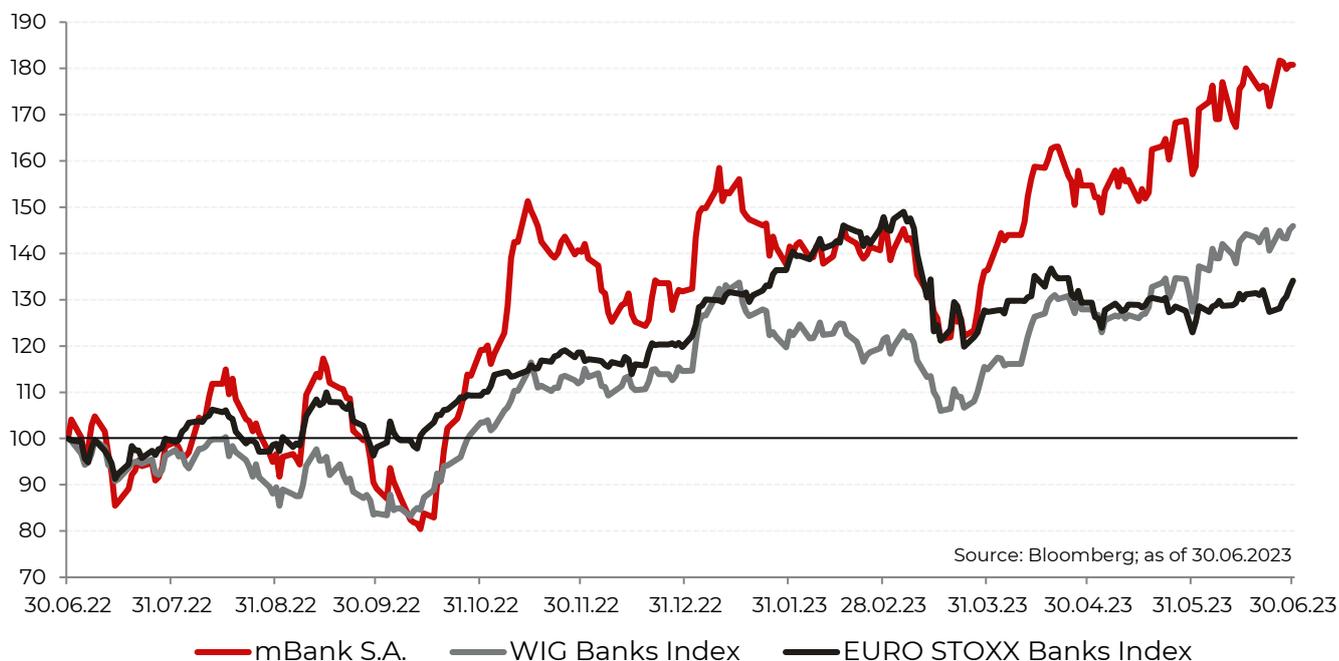


Share price performance summary

In June mBank's share price increased by 15.11%, while the WIG-Banks index rose by 14.53%. The EURO STOXX Banks Index went up by 9.10% in the same period.

Last 12 months – chart



change in the period	3Q'22	4Q'22	2022	1Q'23	2Q'23	2023 YtD
mBank	-10.77%	+47.70%	-31.67%	+3.51%	+32.54%	+37.20%
WIG Banks Index	-16.22%	+36.79%	-27.64%	+0.27%	+27.01%	+27.35%
EURO STOXX Banks Index	-1.91%	+22.08%	-4.56%	+6.35%	+5.30%	+11.99%

Consensus estimates for mBank Group's results

Financials (in PLN million)	2021	2022	2023E		2024E	
			estimate	Δ vs. 2022	estimate	Δ vs. 2023E
Net interest income	4,126	5,909	7,784	+31.7%	7,194	-7.6%
Net fee income	1,868	2,120	2,146	+1.2%	2,223	+3.6%
Total income	6,111	7,842	10,073	+28.4%	9,583	-4.9%
Total costs	-2,457	-3,319	-2,957	-10.9%	-3,131	+5.9%
LLPs & FV change	-879	-835	-1,338	+60.3%	-1,277	-4.5%
Operating profit	18	576	3,847	+568%	4,412	+14.7%
Net result	-1,179	-703	1,922	-/+	2,514	+30.8%
Net loans	117,677	120,183	123,910	+3.1%	128,697	+3.9%
Assets	198,373	209,892	215,884	+2.9%	226,901	+5.1%
Deposits	157,072	174,131	178,355	+2.4%	185,797	+4.2%

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

Note: Results for 2021 and 2022 were negatively impacted by high provisions for legal risk related to mortgage loans in foreign currencies (PLN 2,758 million and PLN 3,112 million, respectively).

Special topic:

mBank Group's additional capital requirement related to risk of foreign currency mortgage loans for households decreased by the Polish FSA

On June 14, 2023, mBank received the decision of the Polish Financial Supervision Authority concerning the change of the decision of PFSA regarding the level of the additional own funds requirement at the consolidated level above the amount calculated in accordance with the detailed rules defined in the Regulation of the European Parliament and the Council EU No 575/2013. As a result, the additional capital requirement related to risk of foreign currency mortgage loans for households on the consolidated basis was lowered by 0.58 p.p. for total capital ratio (TCR) and by 0.43 p.p. for the Tier 1 capital ratio. Now, the PFSA requires mBank Group to maintain own funds for covering the additional capital requirement related to risk of foreign currency mortgage loans for households at 1.18 p.p. above the amount of the total capital ratio (TCR) and at 0.89 p.p. above the Tier 1 capital ratio. mBank continues to fulfil the PFSA requirements related to the minimum capital adequacy ratios on both the individual and consolidated levels.

Key news regarding mBank Group

Inflation in Poland remained unchanged MoM for two consecutive months



Polish GDP was confirmed to be lower by 0.3% YoY in Q1 2023, according to Statistics Poland. Based on the recent data, mBank's analysts revised up their forecast for GDP growth in 2023 to 1.9% YoY. They believe that the technical recession is over. The economy is entering a recovery phase, with the annual dynamics seen to grow, supported by falling inflation, improving business indicators, tax returns, further fiscal stimulus and negative real interest rates.

Inflation in May 2023 decelerated to 13.0% YoY (0.0% MoM), followed by flash estimate of the consumer price index for June 2023 at 11.5% YoY (with MoM dynamics also at 0.0%). mBank's analysts expect that inflation will be oscillating around 11% in the coming months. They consider current readings to be a part of the first phase of decrease. At this stage, inflation should fall quickly, driven by base effects, falling price of energy and fuel and stabilising price of food. At the end of the year, the path of inflation will enter the second phase of decline, which will be slower due to regulatory factors (increase of minimum wage), fiscal transfers, the turning point in the economic cycle and a very strong job market.

Industrial production receded by 3.2% YoY in May 2023. The sequence recorded in the recent months retreated to the lower long-term trend. Production of energy decreased by 10.7% MoM, possibly due to the unfavourable weather impact on photovoltaic panels. Seasonally-adjusted industrial processing decelerated as well and fell below the long-term trend. Production of consumer goods continued to underperform, driven by disappointing consumption in Q1 2023. mBank's analysts believe it will eventually revive along with recovery in consumer spending. On the other hand, production of investment goods has outperformed. Producer Price Index sank to 3.1% YoY in May, compared to 6.8% YoY recorded in April. The deceleration should translate into lower inflation, according to mBank's analysts.

Retail sales contracted by 6.8% YoY in May 2023, below the consensus which had anticipated the trend to move past its lows with a decrease by 5.6% YoY. Seasonally-adjusted monthly dynamics suggest the key contributors to this drop were distributed amongst all main categories of goods. Sale of food and sale of clothes and shoes recorded the deepest slump. They went down by 4.3% MoM and 3.3% MoM, respectively. Despite the falling inflation, prices have remained the major driver inhibiting retail sales. According to mBank's analysts, high level

of wages, inflationary allowances and rising consumer sentiment should translate into improving retail sales dynamics in the coming months.

Employment advanced by 0.4% YoY in May 2023, in line with the market consensus and the dynamic observed in the previous month. The number of FTEs dropped by 6.6 thousand MoM. The reading falls into the average of dynamics recorded in the corresponding months in the past. However, the YtD trend disappoints when compared to the pre-pandemic values. Wages in May 2023 rose by 12.2% YoY, worse than the expected increase of 12.7% YoY, while on a monthly basis they declined by 3.4%. Although in real terms they have remained negative, mBank's analyst note that the gap to the positive territory is narrowing. Despite the decreases, the labour market in Poland is perceived as strong, along with persisting annual growth of salaries and low unemployment rate.

Costs of legal risk related to foreign currency loans borne by mBank after CJEU ruling

On June 23, 2023, mBank announced that costs of legal risk related to foreign currency loans in CHF to be booked in Q2 2023 are estimated at PLN 1,512.9 million. This decision results from the impact analysis of the ruling of the Court of Justice of the European Union in case C-520/21 on the future jurisprudence of Polish courts in cases involving foreign currency loans in CHF, and additionally takes into account costs of mBank's settlement program with its clients as well as the update of other parameters applied in the model.

As a result, the total value of provisions created for legal risk related to FX mortgage loans as of June 23, 2023, amounted to PLN 7.52 billion.

At the same time, mBank informed that it continued to observe favourable trends at its core business in Q2 2023, translating into strong underlying financial performance. Assuming no other negative unexpected events, the net result achieved by mBank Group in Q2 2023 is expected to be close to zero and the gross result is projected to be positive. As a consequence, the company foresees to deliver a profit on both pre-tax and net level in H1 2023.

mBank Group anticipates its Tier 1 capital ratio and the total capital ratio for Q2 2023 to be higher than the levels reported for the end of Q1 2023. Also, the surpluses above the capital requirements for Q2 2023 are expected to be higher than in the previous quarter. The liquidity ratios significantly exceed the regulatory requirements.

S&P Global Ratings affirmed mBank's long-term rating at "BBB" and changed the outlook from developing to stable

On June 27, 2023, S&P Global Ratings affirmed mBank's "BBB/A-2" long- and short-term issuer credit ratings and revised the outlook of the long-term rating from developing to stable. Moreover, the agency downgraded senior subordinated instruments from "BBB-" to "BB+". This rating action was a consequence of the CJEU ruling announced on June 15, 2023, which in S&P's view will cause a material increase of the costs of legal risk related to foreign currency loans and make financial results more volatile in the next few years. At the same time, S&P forecasts mBank's underlying profits to remain sizable, supported by its good operational efficiency and high market interest rates. The stable outlook reflects S&P's opinion that the bank's underlying profitability and capitalization over the next 12-24 months will allow it to absorb future costs of legal risk arising from CHF mortgage loans and potential burdens imposed by the government. The long-term rating is positively impacted by the inclusion of additional loss-absorbing capacity comprising eligible debt instruments to meet the MREL requirements.

Forthcoming corporate access events

11-12.09.2023	20th Annual Emerging Europe Investment Conference by BM Pekao
25-26.09.2023	European Financials Conference by mBank Brokerage in Warsaw
27-28.09.2023	PKO by the Sea Conference in Sopot

Forthcoming reporting events

02.08.2023	Semi-annual Financial Report of mBank Group for H1 2023
31.10.2023	mBank Group Financial Report for Q3 2023
08.02.2024	Selected non-audited financial data of mBank Group for Q4 2023
01.03.2024	Annual Financial Report of mBank Group for 2023

mBank's shares:

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 464 892
Listed on WSE since	06.10.1992
Relevant WSE indices	WIG, WIG-20, WIG-30, WIG-Banks, WIG-ESG

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

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