

Question asked at the XXXII Ordinary General Meeting on 28 March 2019

The minority shareholder (JG):

First of all congratulations for very good results for the last year. I also congratulate you on putting the emphasis on the young people and on today's declaration of the Bank that funding of new coal projects and coal mines will end and that the Bank will focus on renewable energy sources. These steps are definitely positive. However, in the Management Board's report for the last year, I have not found a comprehensive approach to climate issues, which undoubtedly affect younger clients of the Bank and to a greater extent future generations, although of course also all of us.

So coming to the questions: does the Bank intend to report the so-called emissions of scope 3 and if so, if and when it will set greenhouse gas emission reduction targets in this area. Secondly, the Bank has not defined yet its position in terms of compliance with the objectives of the Paris Agreement and climate policy as such. Today's declaration proves that there is thinking in this direction, but there are many more high-carbon sectors than only coal and there is no vision as to whether the Bank intends to be consistent with the Paris Agreement and in when and how quickly it intends to adjust its loan portfolio to the Paris Agreement. So, the question is whether and how quickly it will be done. Today's declaration concerned project finance. We know that in today's banking, very few institutions have no criteria for project finance (we are talking about corporate finance, issuance of corporate bonds, where mBank is ranked third in Poland). When will the Bank extend the criteria for corporate loans and the bond market?

President of the Management Board Cezary Stypułkowski:

Our declaration, which was formulated and published today, is a step towards more responsible management of relations with the clients with potentially higher emission levels. However, we are realists, we operate in a country that is 90% coal-based and where we can contribute with our commitment to reduce emissions in the infrastructure, which is available in Poland, we will continue to participate there. We are not prepared today to declare in details our involvement and social responsibility for emissions levels generated by individual entities in the coming years. At this stage we do not assume limits that would be strongly connected, we do not have sufficient workshop in this respect and I can say so far only that we will continue to work on improving our credit technique in relation to social responsibility for the level of carbon dioxide emissions. Apart from the fact that we are not legally obliged, we nevertheless feel socially responsible, but this is not a fully available workshop at the Bank so that we can act in a systematic manner here. At the same time, in relation to the entities we work with, where we can increase efficiency and reduce emission levels, we will try to be supportive, regardless of the fact that these entities are still operating on the basis of coal. It seems that a very radical approach to this would be unjustified under Polish conditions.

Vice President of the Management Board Adam Pers:

I would only add that this is a very concrete step, but mBank historically has not been strongly involved in financing "polluting" sectors and this is the beginning of a certain path. In 2015, we adopted the Responsible Business Strategy, Renewable Energy Policy appeared last year - we announced that PLN 500 million will be spent on financing this industry, on April 1 a new policy is launched that limits the financing of high-carbon industries, but please take our second step as a journey in which some new elements will appear here. Not everything right away and our clients also have to be prepared to report their demand for financing. As the President said, 90% of the energy in Poland is based on coal, in the area of renewable energy we are one of the largest players. Please take this into account.