

Questions asked by a minority shareholder during the 33rd Annual General Meeting on 27 March 2020

J.G.: The Standing Rules of the General Meeting still do not provide for the possibility of remote participation and asking questions on-line during meetings. Given the circumstances, isn't this general meeting a good opportunity to change the Rules of the General Meeting in this respect?

Jarosław Wolak, Director of the Legal Department: In accordance with the applicable law, a bank can organise a remote general meeting if such an option has been provided for in its articles of association/by-laws. We cannot do it now. However, the legal changes planned in connection with the coronavirus epidemic provide for the possibility of organising remote general meetings regardless of whether a company's articles of association/by-laws allow it or not. I hope that we will be able to organise the next general meeting this way.

J.G.: In September 2015 mBank together with a consortium of other banks signed a long-term credit agreement with PGE. The corporate loan granted in 2015 should be repaid by the end of September 2023. PGE's investments to continue lignite extraction in Turów are heavily criticized and widely commented on, especially in the Czech Republic. mBank does business in the Czech Republic and wants to attract young clients. Isn't mBank afraid of losing its young clients in the Czech Republic due to its involvement in providing funding to a client whose perception among young Czechs sensitive to environmental concerns is quite negative? How does mBank manage this reputational risk?

Cezary Stypułkowski, President of the Management Board: Indeed, we are a party to the said agreement with PGE. The loan is expiring gradually. It is hard to imagine that we withdraw from it contractually. mBank's exposure has decreased substantially.

The bank announced its energy policy last year. It responds to the expectations behind your statement. We share this way of thinking. As regards our clients in the Czech Republic, these are retail customers. We do not offer corporate loans in the Czech Republic. Our clients are much younger than the sector's average (of approx. 41 years) and this group's sensitivity to environmental concerns was one of the things that encouraged us to take a different approach to our credit policy on and exposure to this sector.

J.G.: How does mBank grant loans to companies which are already served by the bank and which generate more than 50% of electric power from combusting hard coal and/or lignite?

Cezary Stypułkowski, President of the Management Board: We do not provide information on individual exposures. Since you mentioned PGE in your previous question, I did not deny. It is understandable that, taking mBank's long-term ties to corporate clients into account, we try not to pull the rug from under our clients' feet. We assist in processes that lead to the shift from generating power from hard coal to renewable energy sources. Our commitment in this area is solid, serious and systematically put into practice. We were the first bank in Poland to receive an ESG Risk Rating from Sustainalytics. We were awarded a very high rating. We are highly sensitive to environmental concerns. When managing our business and customer relationships, we gradually reduce the risks to which you are even more sensitive than us wherever they occur.

J.G.: In its new strategy for 2020-23 mBank mentioned, among others, climate change and financing of renewable energy sources but it did not specify any targets except for the ones referring to mBank's own issuances. How does mBank ensure compliance of its credit portfolio, especially new corporate loans for general purposes and support in issuing corporate bonds, with the objectives of the Paris Agreement?

Cezary Stypułkowski, President of the Management Board: We declare a pretty systemic approach to these matters. In 2019, we adopted the "mBank Credit Policy on Sectors Relevant to EU Climate Policy" (also known as the "climate policy") of which we informed the public in the relevant press releases. Under the climate policy we do not provide new funding to entities where the share of electric power generated from hard coal or lignite exceeds 50%. We must take the Polish reality into account. We believe that it is the responsibility of the banking sector to support businesses in their shift towards clean energy. We support renewable energy sources and we want to help in energy

transition. We initially earmarked PLN 500 million for financing the renewables sector and later increased this amount to PLN 1 billion. Recently we have raised the limit to PLN 2 billion.

Perhaps not all expectations formulated by the groups which you are representing are literally expressed in our documents. We will try to fix it. I would like to declare on the institutional level, on behalf of the management board, and as a person from the Warmia and Mazury region that we will act in line with the expectations of the society and our clients to which you referred. I am certain of it.

J.G.: In late February 2020 mBank granted a loan to one of the world's largest manufactures of mining equipment. Does mBank have any criteria for lending to companies whose profits to a large extent depend on high-emissions sectors and the hard coal and lignite mining industry? What forecasts does mBank use in assessing the development potential of such industries in light of the restrictions arising from the Paris Agreement and the EU climate policy? We can see that the world of finance seems to ignore certain issues.

Cezary Stypułkowski, President of the Management Board: I would like to stress that we do not ignore them. However, we believe that they must take into account our operational reality, our relationships with clients, and the process of clients' adjustment to the new requirements. We look at how our client relationships have developed so far. The renewals are usually worth less than the previous funding. They give these companies a chance to transform and find new successful niches. Social consequences of rapid changes would be equally severe, so we have to balance these issues considering the structure of and our role in the Polish economy. Demand for energy sources which have a devastating impact on the environment will decrease and we will contribute to it. Companies which are part of a manufacturing chain related to, for example, coal producers, must adjust at a certain point of time. As a matter of principle, we do not take part in such projects. In general, we only get involved in projects aimed at transforming a client's production profile.