

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTION
OF THE XXXIII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
27.03.2020 concerning division of the 2019 net profit
(Resolution No. 3)**

The General Meeting is required to pass Resolution No. 3 because the Bank has to comply with the mandatory regulations of Article 395.2.2. of the Code of Commercial Partnerships and Companies. Article 395.2 provides as follows: "The following matters shall be presented to the ordinary general meeting of shareholders:

1. examination and approval of the management board's report of company activities and the financial statements for the preceding financial year;
2. adoption of a resolution on the distribution of profit or on covering losses;
3. granting a vote of acceptance to members of a company bodies to confirm the discharge of their duties."

Furthermore, passing the Resolution No. 3 by the General Meeting of Shareholders satisfies the requirements of § 11 letter b) of the By-laws of the Bank.

The Management Board of mBank S.A. recommends not to perform the division of the net profit earned in 2019.

The rationale behind the change of the recommendation regarding manner of division of profit in comparison to the recommendation presented by the Management Board on 10 March assuming payment of PLN 48 702 922.05 to the dividend for shareholders of the Bank, stems from the stance of the Polish Financial Supervision Authority ("PFSA") presented in the letter of 26 March 2020 according to which: "Taking into consideration the current situation related to the state of epidemic announced in Poland and potential further economic consequences related to that, as well as its expected impact on the banking sector, PFSA expects that banks – regardless of the steps already undertaken - shall retain the whole net profit from previous years. Building strong capital by profit retention is in PFSA's opinion necessary for increasing chances of banks effective reaction on the current and future threats as well as for safe continuation of current activity."

Consequently, the Management Board of mBank S.A. recommends that net profit earned in 2019 in the amount of PLN 980 979 554.44 shall be left undivided, in order to preserve the potential possibility of its distribution in the future in a manner including payment of dividend.