

Questions and Answers:

- 1. What percentage of the loan portfolio (amounting to PLN 77 billion) constitute loans denominated in Swiss francs? At the same time, how many Swiss francs does the Bank physically have (in the treasury, on nostro accounts in foreign banks, with the central bank, or in other places)?**

In the case of assets (loans in CHF), it is an equivalent of PLN 21 billion as at the end of January, and on the liabilities side we have an equivalent of PLN 18 billion. Liabilities consist of different sources of granted loans denominated in CHF. The main source of funding comes from Commerzbank, supported by the issues of the Bank. Other CHF assets, excluding loans, do not constitute a significant part of the balance sheet.

- 2. One of the changes in By-Laws that stands out from others concerns mBank's brokerage activity. According to the new definition, it will be referred to simply as "brokerage", which significantly differs from the extensive, four-point definition in the previous version of By-Laws. What is the reason for such a significant reduction in this definition? Does it fit into the general trend that we will see in the future?**

To date, brokerage was carried out on two platforms: Dom Maklerski mBanku S.A. and mBank S.A. We are in the process of changing the model of our operations in the brokerage business to include all the brokerage services on one platform: mBank S.A. Up to date, mBank S.A. was authorized to act solely in the areas specified in four points of the existing By-Laws. Brokerage activity is defined in the legislation and it defines exactly what activities are carried out within the framework of the brokerage business. Thus, with the combined activities of Dom Maklerski mBanku S.A. and mBank S.A., there will be no need to list the specific activities of the Bank.

- 3. Does Dom Maklerski mBanku S.A. operate within the framework of mBank S.A. or it has a separate legal personality?**

It has a separate legal personality. Dom Maklerski mBanku S.A. is part of the mBank Group, but it is not a component of mBank S.A. As a result of planned changes, Dom Maklerski mBanku S.A. will be integrated into the framework of mBank S.A.

- 4. To date, shareholders are not required to make a statement on Corporate Governance. What is the background of changes in this regard, since previously it was not necessary, and the shareholders provided financial support to the Bank despite that?**

The Polish Financial Supervision Commission resolution of July 22, 2014, which lays down the rules to institutions supervised, constitutes the background of this regulation.. The Management Board of mBank has passed appropriate resolutions, which correspond to the principles addressed to management boards of banks. The Board decided not to apply two principles out of all those included in the resolution. The Supervisory Board accepted similar recommendations. The issue yet to solve concerns the requirements addressed to the General Meeting. Therefore, today the shareholders face the vote section on the application of *the Principles of Corporate Governance for supervised entities* in relation to the part addressed to shareholders.

In the past, the Bank needed additional funding several times and historically this need was fulfilled by Commerzbank. The Polish Financial Supervisory Commission formula is not a firm regulation, but an expectation, which needs to be acknowledged by the General Meeting. It does not entail automaticity, but it is a kind of soft commitment to participate in the capital increase if needed.

- 5. Another provision is not to influence the statutory authorities in order not to infringe their competence. Were there any shareholders in our history, who exerted unauthorized influence on these bodies?**

Taking into consideration my five-year experience with mBank S.A., I can firmly say that such events did not occur in the relationship between the Supervisory Board and the Management Board of the Bank.

6. What happened that shareholders have to commit to consult any decision on dividends with the Management Board in the context of an appropriate level of capital?

From a professional point of view, it is clear that we are responsible for an appropriate level of capitalization of the Bank, as well as the safety of its operation. In addition to pure regulatory requirements, our assessments of the potential risks and buffers that the bank should maintain should be taken into account.

7. Other statement is as follows: shareholders will consider the possibility of providing support taking into account their financial situation. How will the consultation with shareholders be conducted?

It is a soft commitment that does not include automaticity. It is an expectation of the Polish Financial Supervision Commission to define the positions of shareholders of financial institutions. I have a reason to believe that one of the motives of the Financial Supervision Commission was the expectation with respect to strategic shareholders of Polish banks to vote for such rules.

8. Why auditors are selected for a period of one year, and not elective periods?

Regulators expect greater rotation of the auditors. Polish regulator's position is that one auditor cannot audit a financial institution for a period longer than five years.

9. Is the letter of the Polish Financial Supervision Commission connected with a possible need of early repayment of borrowed funds to finance CHF loans in the face of a crisis? Does the PFSA define for mBank the most important risks, responsible for the suspension of dividend payment?

No, it is not a question of the danger of withdrawal of funding. Our Bank has the most sustainable source of mortgage loans funding among all Polish banks. The Polish Financial Supervision Commission's statement is motivated by aspects related to the risk profile of the loan portfolio, focusing on matters related primarily to the value of loans granted *visa vis* the value of the financed assets (loan to value). The second issue is the overall level of instability and ongoing discussions around CHF loans.

10. The clear statement of the Polish Financial Supervision Commission as to the payment of dividend and the statement that the retained profit may not be sufficient to secure risks, would suggest that the break in the General Meeting is groundless. Is there any expression used by the PFSA to believe that the proposal to pay dividends could be defended in a month?

This letter was written quite generally. It clearly signaled that another statement would be individually addressed to us. As I understand, it will define the way how to calculate the additional capital buffers. In our risk policy we have included the capital buffers that we believe are adequate. The quality of loan portfolios in foreign currencies at the moment is very good, we do not have to deal with the risk of translating the events of January into credit risk. We have too little data, and therefore we have decided to propose to adjourn the General Meeting.

11. Does the Management Board expect a statement concerning the resolution on the profit distribution before the renewal of the Annual General Meeting?

The latest statement of the Polish Financial Supervision Commission signaled the banks will obtain the additional capital requirements in April, but April has 30 days, and the General Meeting may be adjourned until April 29. Starting from tomorrow will be in touch with the Polish Financial Supervision Commission to explain all circumstances relating to profit distribution.