

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTION
OF THE XXXII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
28.03.2019 concerning approval of the Management Board Report on the Business of mBank
Group, including the Management Board Report on the Business of mBank S.A., for 2018
(Resolution No. 1)**

The General Meeting of Shareholders is required to pass Resolution No. 1 as the Bank has to comply with the mandatory regulations of Article 395.2.1 in connection with Article 393.1. 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. 1 by the General Meeting of Shareholders satisfies the requirements of § 11 letter a) of the By-laws of the Bank.

OPINION OF THE SUPERVISORY BOARD

In accordance with the wording of § 2 item 9 of the Rules of the Supervisory Board and having revised the draft of the resolution No. 1 of the XXXII Ordinary General Meeting of Shareholders, the Supervisory Board accepts its content and recommends to the XXXII Ordinary General Meeting of Shareholders adoption of this resolution.

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTION
OF THE XXXII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
28.03.2019 concerning approval of the Financial Statements of mBank S.A. for 2018
(Resolution No. 2)**

The General Meeting is required to pass Resolution No. 2 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. 2 by the General Meeting of Shareholders satisfies the requirements of § 11 letter b) of the By-laws of the Bank.

OPINION OF THE SUPERVISORY BOARD

In accordance with the wording of § 2 item 9 of the Rules of the Supervisory Board and having revised the draft of the resolution No. 2 of the XXXII Ordinary General Meeting of Shareholders, the Supervisory Board accepts its content and recommends to the XXXII Ordinary General Meeting of Shareholders adoption of this resolution.

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTION
OF THE XXXII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
28.03.2019 concerning division of the 2018 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 allocating a part of the net profit earned in 2018 to the losses from previous years and leaving the remaining part of the profit undivided.

Despite many factors favourable to pay dividend:

1. A strong capital base of mBank S.A. and mBank Group reflected in the total capital adequacy ratio (TCR) and Tier 1 ratio, which as of 31 December 2018 amounted to:
 - for mBank S.A. – TCR: 24.20%, Tier 1 ratio: 20.46%
 - for mBank Group – TCR: 20.69%, Tier 1 ratio: 17.47%;
2. Record level of net profit earned by mBank S.A. in 2018 amounting to PLN 1,317,484 thousand;
3. Current as well as forecasted and planned economic and financial standing of mBank S.A. and mBank Group;

taking into account the recommendation of the Polish Financial Supervision Authority (KNF) of 25 February 2019 regarding retention of the whole 2018 net profit, the Management Board recommends leaving a part of the profit earned in 2018 in the amount of PLN 1,069,326,715.78 undivided. The Management Board made multiple attempts to convince the KNF that the Bank's financial situation is very good and that maintaining the capital adequacy ratio of the Bank and mBank Group at a safe level while enabling further growth of credit activity would also be possible in case of payment of dividend from profit earned in 2018. These attempts have proved unsuccessful.

As to the justification for allocation of part of the 2018 profit to the losses from previous years, the following should be noted:

Uncovered loss from previous years in the amount of PLN 248,158 thousand results from inclusion of the effect of implementation of the new International Financial Reporting Standard IFRS 9 "Financial Instruments".

As at 1 January 2018, differences in the carrying amount of financial assets and liabilities resulting from the application of IFRS 9 were recognized as part of the retained earnings from previous years.

OPINION OF THE SUPERVISORY BOARD

In the opinion of the Supervisory Board the financial results generated by the Bank and the solid capital position, being strong enough to meet regulatory capital requirements also under stressed macroeconomic conditions, what was confirmed by stress tests performed in 2018 according to EBA scenarios, justify payment of dividend from the net profit earned by the Bank in 2018.

Notwithstanding the above, taking into account the KNF recommendation of 25 February 2019 regarding retention of the whole 2018 net profit, which is at least a quasi-administrative act in the

opinion of the Supervisory Board, and in order to avoid subjecting the Bank to potential penalties associated with non-compliance with the KNF recommendation, pursuant to § 2 item 9 of the Rules of the Supervisory Board and having revised the draft of the resolution No. 3 of the XXXII Ordinary General Meeting of Shareholders, the Supervisory Board accepts its content and recommends to the XXXII Ordinary General Meeting of Shareholders adoption of this resolution.

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTION
OF THE XXXII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
28.03.2019 concerning vote of discharge of duties for Members of the Management Board of
mBank S.A.
(Resolutions No. 4-10)**

The General Meeting of Shareholders is required to pass Resolutions 4-10 as the Bank has to comply with the mandatory regulations of Article 395.2 3) in connection with Article 393 1) 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 company bodies to confirm the discharge of their duties."

Furthermore, passing the Resolutions 4-10 by the General Meeting of Shareholders satisfies the requirements of § 11 letter c) of the By-laws of the Bank.

OPINION OF THE SUPERVISORY BOARD

In accordance with the wording of § 2 item 9 of the Rules of the Supervisory Board and having revised the drafts of the resolutions No. 4-10 of the XXXII Ordinary General Meeting of Shareholders, the Supervisory Board accepts their content and recommends to the XXXII Ordinary General Meeting of Shareholders adoption of these resolutions.

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTIONS
OF THE XXXII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
28.03.2019 CONCERNING APPROVAL OF ELECTION TO THE SUPERVISORY BOARD,
ON THE BASIS OF § 19 SECTION 3 OF THE BY-LAWS OF mBank S.A.
(Resolution No. 11)**

Passing by the General Meeting of the Resolution No. 11 is related to resignation as of 23 September 2018 of Mr. Thorsten Kanzler from the post of a Member of the Supervisory Board. As a result, on 24 September 2018, the Supervisory Board, acting on the basis of § 19.1 of the Bank's By-laws, elected Mr. Gurjinder Singh Johal to the Supervisory Board. Mr. Gurjinder Singh Johal has commenced to perform his functions in the Supervisory Board starting from 24 September 2018.

In accordance with the wording of § 19.3 of the Bank's By-laws, the election by the Supervisory Board of a new Supervisory Board Member, that replaces a Member of the Supervisory Board whose mandate expired during the joint term of office, has to be approved by the next General Meeting of Shareholders.

OPINION OF THE SUPERVISORY BOARD

In accordance with the wording of § 2 item 9 of the Rules of the Supervisory Board and having revised the draft of the resolution No. 11 of the XXXII Ordinary General Meeting of Shareholders, the Supervisory Board accepts its content and recommends to the XXXII Ordinary General Meeting of Shareholders adoption of this resolution.

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTIONS
OF THE XXXII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
28.03.2019 concerning vote of discharge of duties for Members of the Supervisory Board of
mBank S.A.
(Resolutions No. 12-24)**

The General Meeting of Shareholders is required to pass Resolutions 12-24 as the Bank has to comply with the mandatory regulations of Article 395.2 3) in connection with Article 393 1) 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 company bodies to confirm the discharge of their duties."

Furthermore, passing the Resolutions 12-24 by the General Meeting of Shareholders satisfies the requirements of § 11 letter c) of the By-laws of the Bank.

OPINION OF THE SUPERVISORY BOARD

In accordance with the wording of § 2 item 9 of the Rules of the Supervisory Board and having revised the drafts of the resolutions No. 12-24 of the XXXII Ordinary General Meeting of Shareholders, the Supervisory Board accepts their content and recommends to the XXXII Ordinary General Meeting of Shareholders adoption of these resolutions.

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTIONS
OF THE XXXII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
28.03.2019 concerning approval of the Consolidated Financial Statements of mBank Group
for 2018
(Resolution No. 25)**

Passing the Resolution No. 25 by the General Meeting of Shareholders is required by Article 395.5 of the Code of Commercial Partnerships and Companies.

According to Article 395.5, "The ordinary general meeting of shareholders may also examine and approve financial statements of the capital group within the meaning of the accounting provisions and address matters other than those listed in paragraph 2."

Given the fact that mBank S.A., as the parent company, and its subsidiaries constitute a capital group, passing Resolution No. 25 by the General Meeting of Shareholders is required.

OPINION OF THE SUPERVISORY BOARD

In accordance with the wording of § 2 item 9 of the Rules of the Supervisory Board and having revised the draft of the resolution No. 25 of the XXXII Ordinary General Meeting of Shareholders, the Supervisory Board accepts its content and recommends to the XXXII Ordinary General Meeting of Shareholders adoption of this resolution.

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTIONS
OF THE XXXII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
28.03.2019 concerning amendments to the By-laws of mBank S.A.
(Resolution No. 26)**

Passing Resolution No. 26 by the General Meeting of Shareholders is related to: **3)** adjusting provisions of the By-laws to the provisions of the Ordinance of the Minister of Finance dated 7 May 2018 on detailed scope of competences of the nomination committee in significant banks; **1)-2)** and **4)-6)** adjusting provisions of By-laws to generally binding provisions of law and internal regulations; **7)** increase of the share capital of the Bank in the result of realisation of incentive programmes for the Management Board Members and Employees of the Bank;

Proposed changes to the By-Laws are as follows:

1. adding new wording of letter a) in § 22 section 1 and change of numbering of points into b)-m);
2. adding a new letter n) in § 22 section 1;
3. change in § 22 section 3 point 1 of the wording of letter c) and adding letters d)-f) in new wording;
4. change of wording of letter c) in § 22 section 3 point 2;
5. change of section 4 in § 31a;
6. change of section 5 in § 31a; and
7. change of § 34.

Furthermore, passing Resolution No. 26 by the General Meeting of Shareholders satisfies the requirements of § 11 e) of the By-laws of the Bank.

OPINION OF THE SUPERVISORY BOARD

In accordance with the wording of § 2 item 9 of the Rules of the Supervisory Board and having revised the draft of the resolution No. 26 of the XXXII Ordinary General Meeting of Shareholders, the Supervisory Board accepts its content and recommends to the XXXII Ordinary General Meeting of Shareholders adoption of this resolution.

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTIONS
OF THE XXXII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
28.03.2019 concerning stance of shareholders of mBank S.A. concerning appraisal of functioning
of remuneration policy regarding members of the Management Board and persons holding key
positions at mBank S.A.
(Resolution No. 27)**

Passing Resolution No. 27 by the General Meeting of Shareholders is related to the wording of § 28 section 4 of the Corporate Governance Principles for Supervised Institutions adopted by the Polish Financial Supervision Authority by Resolution no. 218/2014 of 22 July 2014.

OPINION OF THE SUPERVISORY BOARD

In accordance with the wording of § 2 item 9 of the Rules of the Supervisory Board and having revised the draft of the resolution No. 27 of the XXXII Ordinary General Meeting of Shareholders, the Supervisory Board accepts its content and recommends to the XXXII Ordinary General Meeting of Shareholders adoption of this resolution.

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTIONS
OF THE XXXII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
28.03.2019 concerning approval of the “Policy on the assessment of qualifications (suitability) of
members of the supervisory body, management body and key functions holders in mBank S.A.”
(Resolution No. 28)**

Passing Resolution No. 28 by the General Meeting of Shareholders is related to the wording of the European Banking Authority (EBA) Guidelines to assess the suitability of members of management bodies and key function holders dated 21 March 2018 and is required on the basis of § 57 section 2 of the Ordinance of the Minister of Finance dated 29 May 2018 on detailed technical and organisational conditions for investment firms, banks, mentioned in art. 70 section 2 of the act on trading of financial instruments, as well as fiduciary banks.

OPINION OF THE SUPERVISORY BOARD

In accordance with the wording of § 2 item 9 of the Rules of the Supervisory Board and having revised the draft of the resolution No. 28 of the XXXII Ordinary General Meeting of Shareholders, the Supervisory Board accepts its content and recommends to the XXXII Ordinary General Meeting of Shareholders adoption of this resolution.

**mBank S.A. MANAGEMENT BOARD'S RATIONALE FOR RESOLUTIONS
OF THE XXXII ORDINARY GENERAL MEETING OF SHAREHOLDERS DATED
28.03.2019 concerning assessment of suitability of members of the Supervisory Board
(Resolutions No. 29-40)**

Passing Resolutions No. 29-40 by the General Meeting of Shareholders is related to the wording of point VII.2, chapter I of the “Policy on the assessment of qualifications (suitability) of members of the supervisory body, management body and key functions holders in mBank S.A.”, in relation to provisions of the European Banking Authority (EBA) Guidelines to assess the suitability of members of management bodies and key function holders dated 21 March 2018 and is required on the basis of § 57 section 2 of the Ordinance of the Minister of Finance dated 29 May 2018 on detailed technical and organisational conditions for investment firms, banks, mentioned in art. 70 section 2 of the act on trading of financial instruments, as well as fiduciary banks.

OPINION OF THE SUPERVISORY BOARD

In accordance with the wording of § 2 item 9 of the Rules of the Supervisory Board and having revised the drafts of the resolutions No. 29-40 of the XXXII Ordinary General Meeting of Shareholders, the Supervisory Board accepts their content and recommends to the XXXII Ordinary General Meeting of Shareholders adoption of these resolutions.