

mBank Hipoteczny EUR 300mn short 7Y Covered Bond

Terms and Conditions

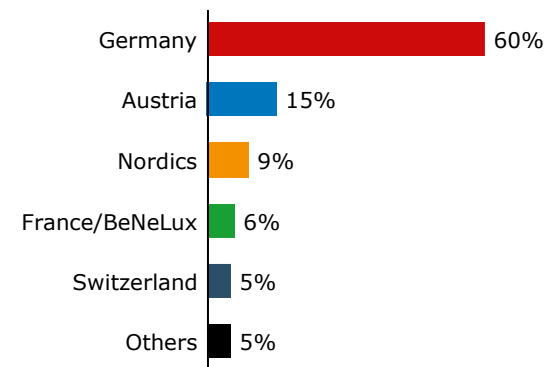
Security Type	Mortgage Covered Bond, backed by Polish PLN and EUR-denominated mortgage loans
Issue Type	Fixed Rate, Soft Bullet / Conditional Pass-Through Covered Bonds
Rating	A / Positive Outlook (Fitch Ratings)
Size	EUR 300mn
Price & Launch	19th April 2018
Settlement	26th April 2018
Maturity	5th March 2025
Tenor	Short 7 years
Re-offer Spread	MS +42bps
Coupon	1.073% Fixed, Annual, Act/Act ICMA
Law	Polish Law
Listing	Luxembourg Stock Exchange
Denomination	EUR 100k
ISIN	XS1812878889
Bookrunners	Commerzbank (B&D), Erste Group, J.P. Morgan, LBBW, SG CIB
Final order book	Above EUR 800mn (excluding JLM interest)
Oversubscription	2.7x
Number of accounts	60

mBank Hipoteczny successfully priced its inaugural covered bond *sub-benchmark* transaction with a EUR 300mn size (no grow). The deal was well prepared with an expedited three day pan-European roadshow in Frankfurt, Munich/Stuttgart, Vienna/Zurich, Amsterdam, Paris, London and Copenhagen/Helsinki.

Main Highlights

- The recent confirmation of the withholding tax treatment for covered bonds in Poland has enabled mBank Hipoteczny to access the EUR-denominated covered market in syndicated format for the first time,
- Books opened with guidance of ms+ high 40s area,
- Strong order book momentum enabled the Issuer to revise the guidance to ms+45bps area (+/- 3bps) two hours later,
- Final pricing was at ms+42bps,
- The final orderbook was characterized by a granularity of 60 investors ordering over EUR 800mn resulting in a 2.7x oversubscribed book,
- The pricing implies a small new issue premium in the high single digit area which results from the theoretical fair value derived from the outstanding bonds of their closest comparables,
- The transaction provides a natural hedge for mBank Hipoteczny mortgage portfolio which is partially denominated in EUR.

Allocation by Region



Allocation by Investor Type

