

mBank Hipoteczny

25 years of issuing mortgage covered bonds



Investor presentation
Warsaw | September 2025

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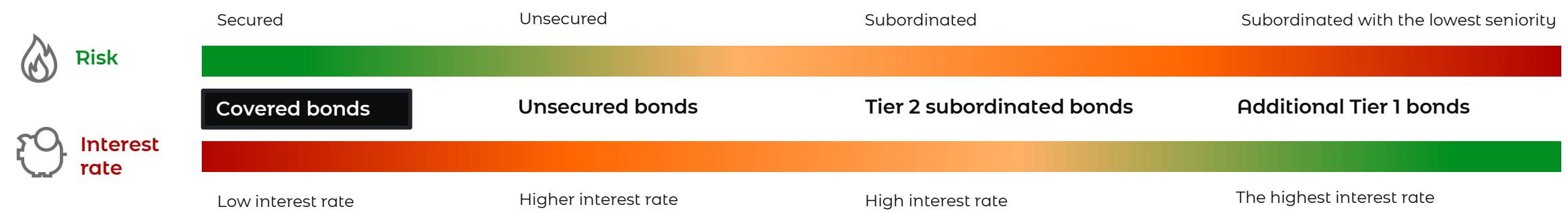
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Agenda

- Mortgage covered bonds
- The role of mBH and the financial results of the mBank Group
- Poland: macroeconomic developments and mortgage market update

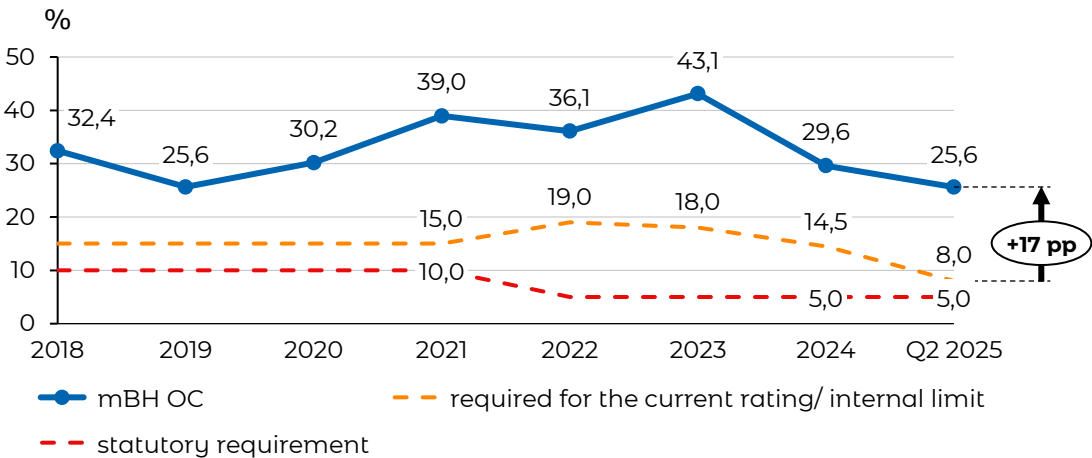
Covered bonds are the safest debt instruments available on the market



Secured nature of the instrument	Resilience to issuer default risk	Conservative valuation of collateral real estate	Legislation and additional supervision
<p>Segregation of the cover pool consisting of residential mortgage claims, government bonds, and cash.</p> <p>Currency hedging requirement at the cover pool level.</p> <p>Statutory overcollateralization (OC) of at least 5% of the outstanding covered bonds.</p>	<p>Dual recourse.</p> <p>Legally defined, issuer-independent insolvency procedure designed to ensure the highest recovery for covered bondholders from the cover pool.</p> <p>Exemption of covered bonds from bail-in procedures.</p>	<p>The mortgage lending value of a property (MLV) is a conservative valuation that determines its value throughout the entire credit period (through-the-cycle).</p> <p>The valuation methodology is accepted by the Polish Financial Supervision Authority (KNF).</p>	<p>Exclusive rights to issue covered bonds are granted to specialized mortgage banks.</p> <p>The Act on Covered Bonds and Mortgage Banks is aligned with the EU Directive.</p> <p>Additional supervision over the mortgage bank and the cover pool is exercised by a cover pool monitor appointed by the Polish Financial Supervision Authority (KNF).</p>

mBH maintains a level of overcollateralization higher than the statutory requirement

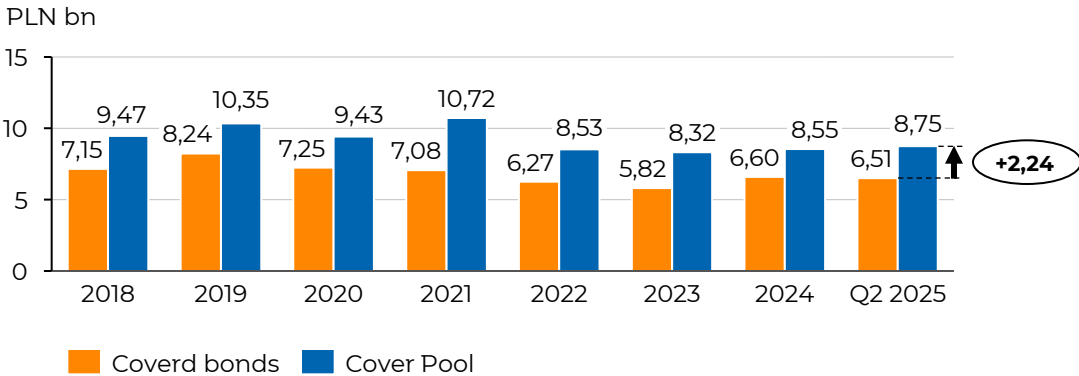
26% overcollateralization



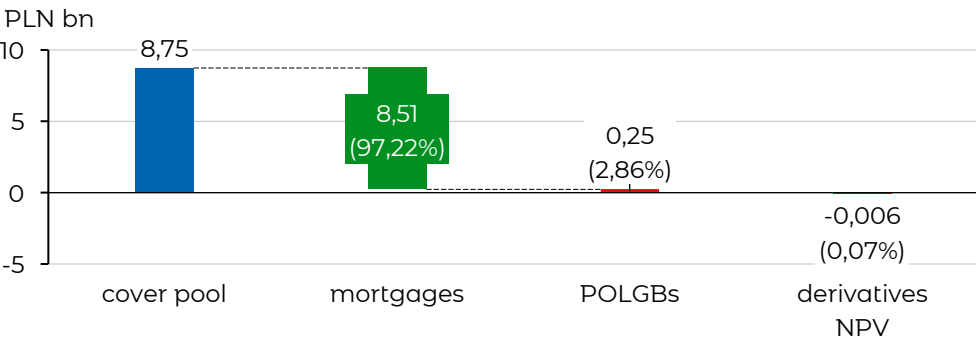
The high level of overcollateralization maintained by mBH strengthens the security of the instrument.

- At the end of the first half of 2025, mBH held PLN 8.75 billion in collateral in the cover pool and had PLN 6.51 billion in issued covered bonds. This translates into 25.6% overcollateralization — 17 percentage points above the level required by Moody's for the current rating.
- mBH intends to maintain the level of overcollateralization required to support the current rating of its covered bonds (currently 8%), taking into account the current issuance plans, maturity schedule, and planned asset transfers.

In nominal terms, the overcollateralization amounts to over PLN 2 billion

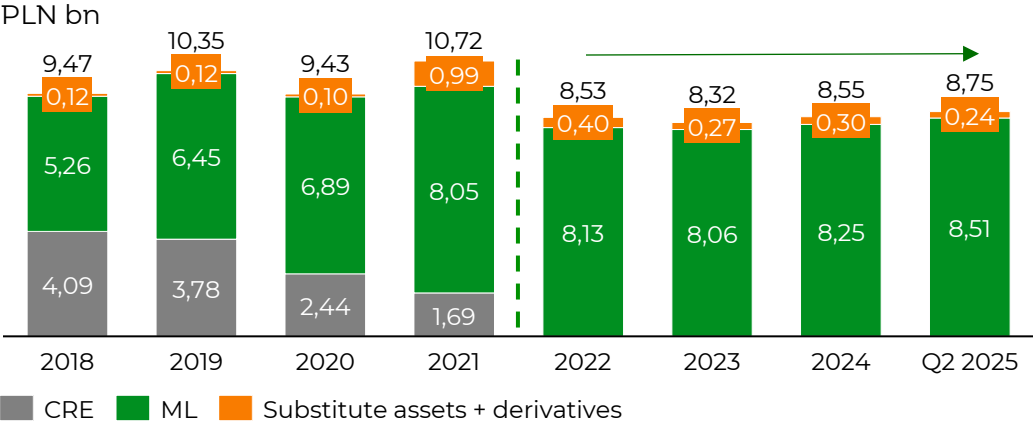


In addition to mortgage receivables, the cover pool is supplemented by substitute collateral — government bonds and derivatives used to hedge currency risk

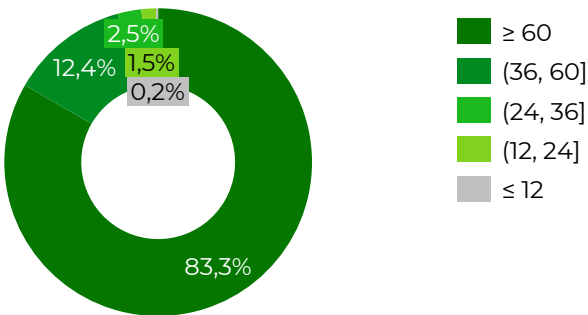


The collateral consists exclusively of a portfolio of residential loans

Since 2022, the cover register for covered bonds has included exclusively residential loans denominated in PLN.



Age of the residential loan portfolio in the cover register (months)



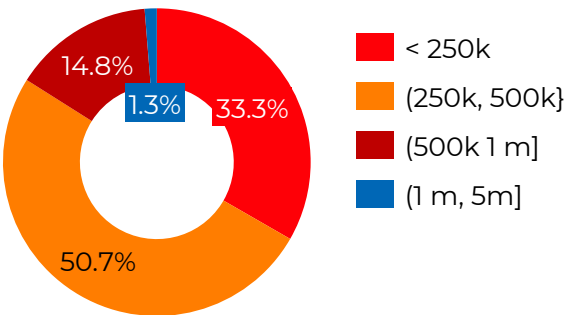
The majority of loans in the covered bond collateral register have more than 60 months remaining until principal repayment.

mBH applies conservative criteria when selecting loans sourced from mBank.

- The collateral consists of mortgages on residential properties located in Poland, with a first-ranking entry in the Land and Mortgage Register (KW), based on ownership or perpetual usufruct rights.
- The Loan-to-Value (LtV) ratio does not exceed 100% of the banking-mortgage value of the property (BHWN). Risk parameters are at a low level. There are no loans in “default” status.

Once the entry in the Land and Mortgage Register becomes final and the cover pool monitor gives approval, the loans are included in the cover pool for mortgage covered bonds.

Value of residential loans in the cover register (PLN)

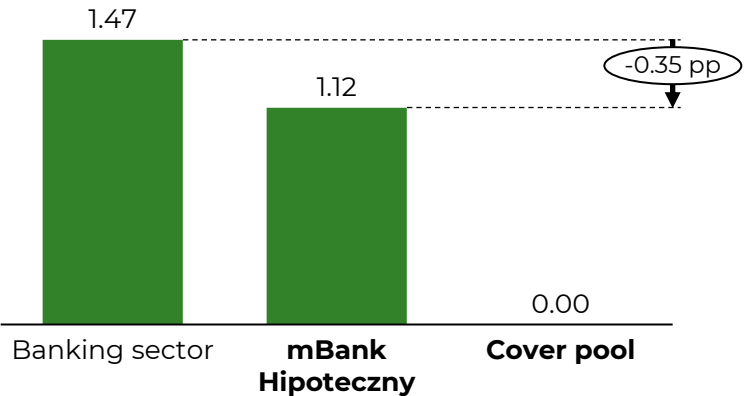


The average value of a loan in the covered bond collateral register is PLN 249.3 thousand, with a total of 34.1 thousand loans

Based on HTT as of 30.06.2025

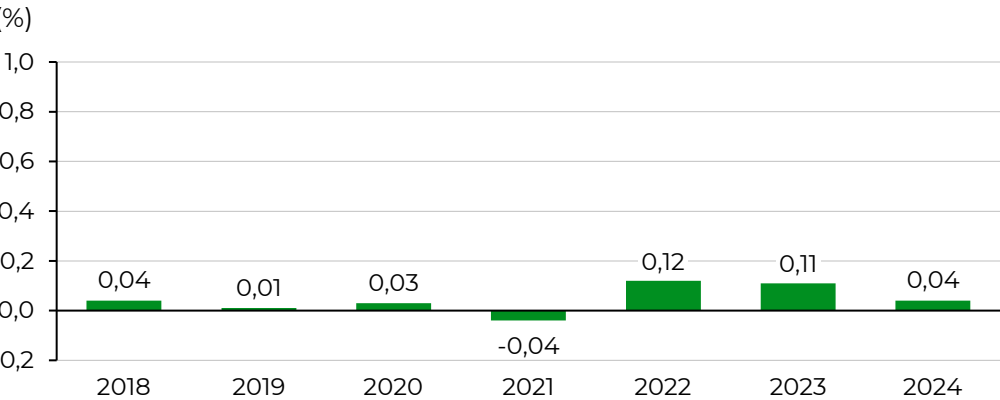
The residential loan portfolio on the mBH's balance sheet is characterized by low risk

The NPL ratio for mBH mortgage loans is lower than the sector average, with no NPLs in the cover pool
(%), Q2 2025



Source for the banking sector: [AMRON](#)

Cost of risk at low level



Healthy loan portfolio, no non-performing loans (NPLs) in the cover pool

- The NPL ratio for mBH mortgage loans is lower than the banking sector average.
- Low credit risk costs result from a strict credit policy and very high loan portfolio quality.
- The coverage of expected credit loss reserves for residential loans overdue by more than 90 days (default status) is high, reaching 96% at the end of 2024.

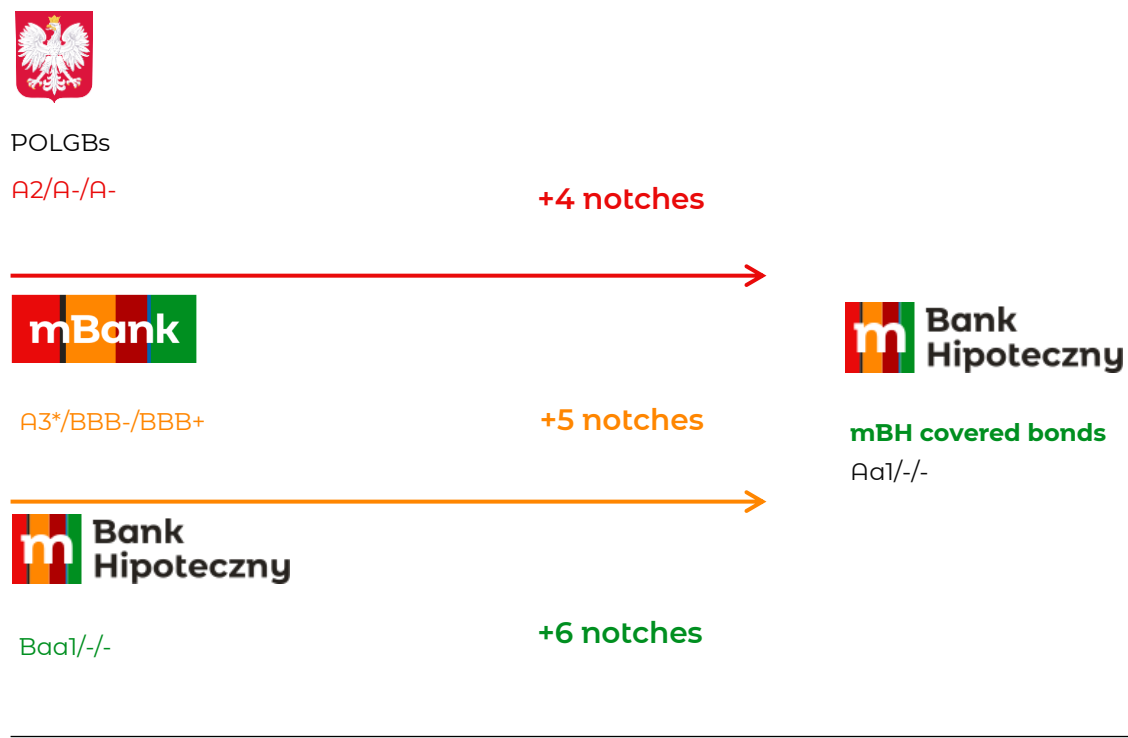
Additionally, as a business decision, the Bank removes loans with default status from the covered bond collateral register (cover pool).

Collateral quality

- The collateral portfolio is dominated by properties with the highest market liquidity, i.e., residential units under 80 m² and residential buildings under 180 m² located in major Polish cities such as Warsaw, Poznań, Kraków, Tricity, Wrocław, Łódź, and Katowice.
- All properties are insured against fire and other random events (including floods).

The rating of mBH covered bonds is the highest possible Moody's rating for Polish securities

The maintained level of overcollateralization, excellent collateral quality, and robust regulations are reflected in the rating level.



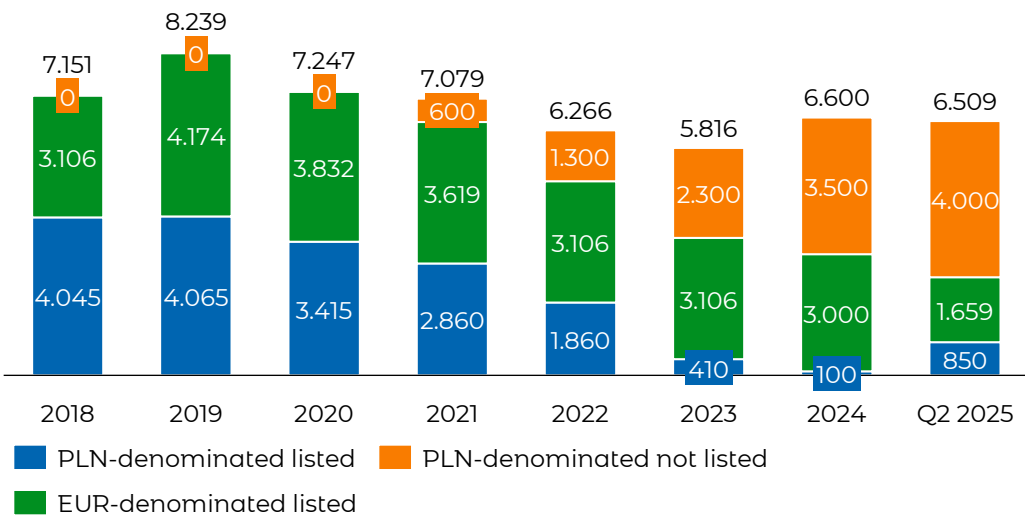
Rating scale used by the agencies:

Long term rating		
MOODY's	FitchRatings	S&P Global
Investment grades		
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-

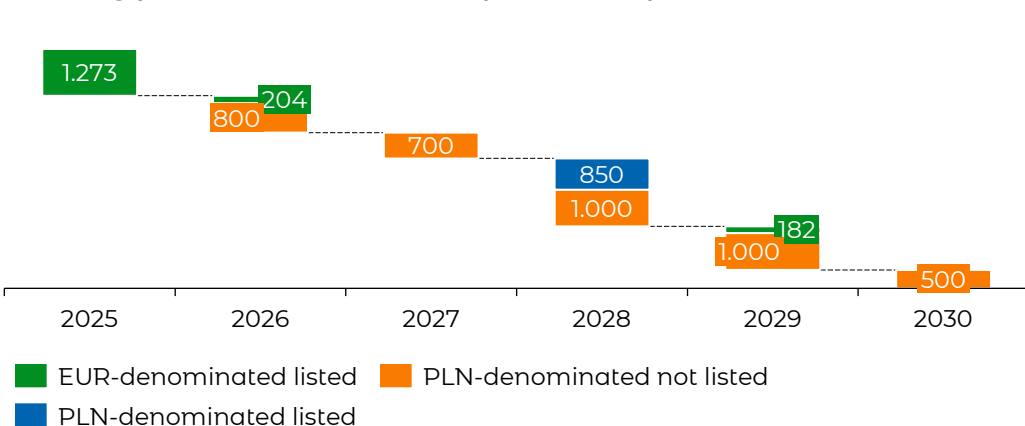
Moody's / Fitch / S&P Ratings – data as September, 2025
The Moody's Investors Service rating is based solely on publicly available information

mBH's market - based covered bond issuances offer an opportunity to rebuild its position

Outstanding mBH covered bonds (PLN million)



Maturity profile of covered bonds (PLN million)



mBank Hipoteczny | 25 years of issuing mortgage covered bonds

- 25 years of mortgage covered bond issuance

mBank Hipoteczny has been issuing mortgage covered bonds since 2000 and was the first bank to introduce mortgage covered bonds to the post-war Polish capital market.

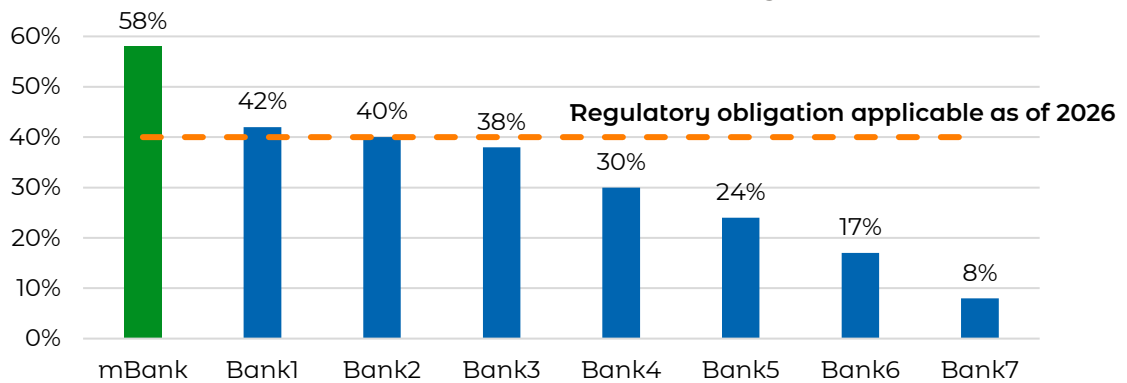
- 35.2% market share in polish covered bonds

As of the end of H1 2025, the value of mBH outstanding covered bonds amounts to PLN 6.5 billion, representing a 35.2% share of the Polish covered bond market, positioning mBH as the second-largest issuer by volume.

- Favorable WFD ratio levels of the mBank Group compared to competitors

Compared to other banking groups operating in the Polish market, the mBank Group has the lowest need to issue covered bonds due to its relatively highest WFD ratio.

mBank maintains a WFD ratio above the sector average

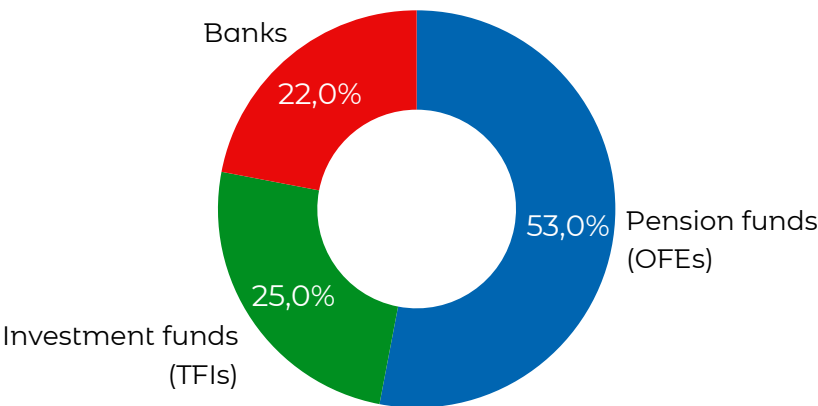


mBH marked its market comeback in June 2025 and aims for ongoing issuance activity

Key Terms of the Issuance:














- Issue Amount: PLN 750 million
- Denomination: PLN 100,000 per bond
- Issuance format: bearer, dematerialized
- Issue Date: June 12, 2025
- Maturity Date: June 12, 2028
- Interest Rate: WIBOR 3M + 75 basis points
- Documentation: Risk Factors
- Depository: KDPW (National Depository for Securities)
- Listing: ASO GPW (Alternative Trading System, Warsaw Stock Exchange)
- ISIN: PLL042600105
- Rating: Aa1 (Moody's)
- Lead Manager & Dealer: mBank S.A.
- Issuing Agent: mBank S.A.
- Legal Advisor: Clifford Chance

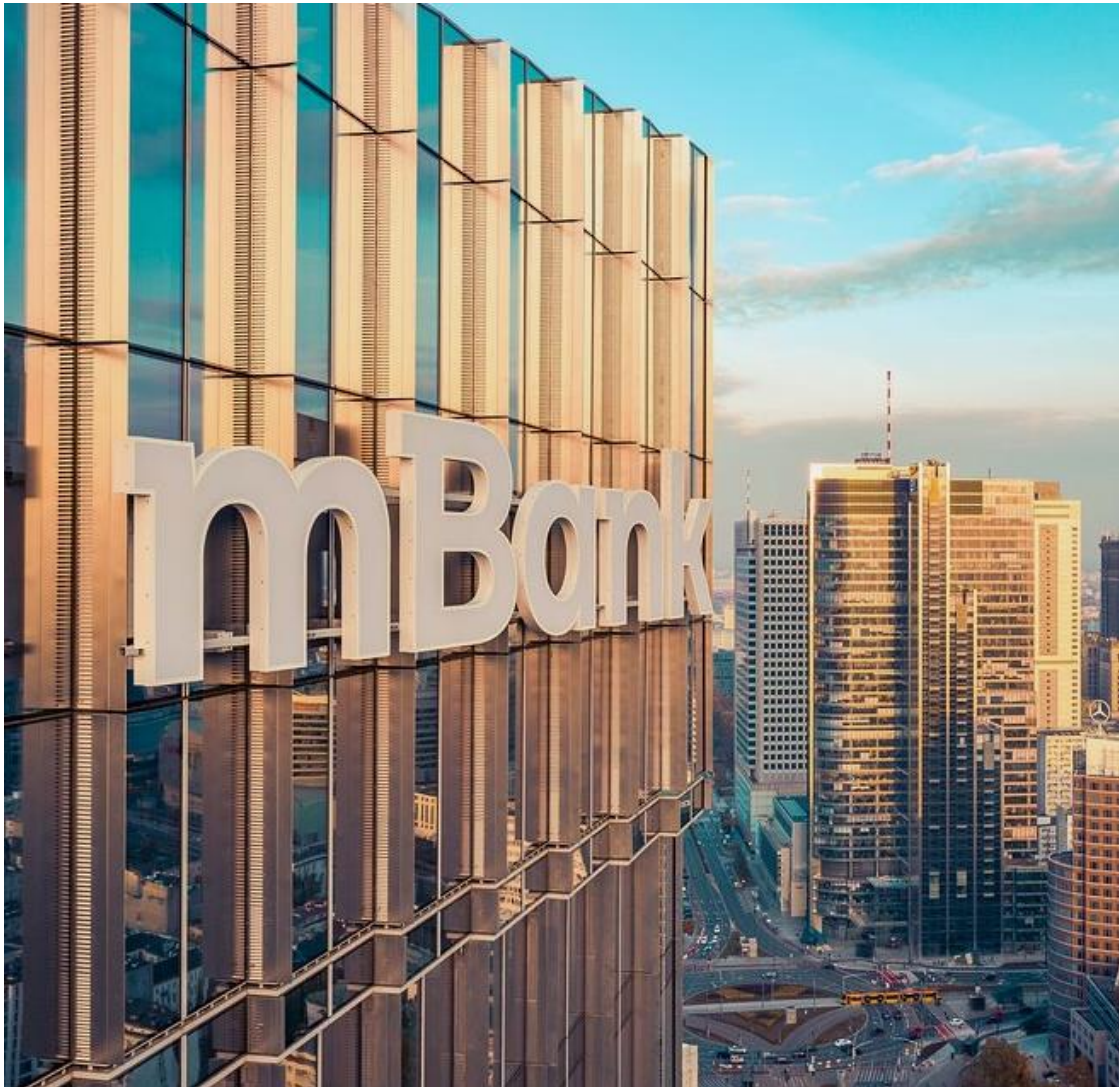
Allocation by investor type:



- **The issuance was preceded by intensive pre-marketing efforts**, including in-person meetings with PL investors.
- Based on the feedback collected, the tenor of the issuance was adjusted to align with investor preferences. In terms of pricing, the Bank clearly communicated the target price.
- As a result, the issuance was priced in the range with 23 investors in the orderbook, of which Pension funds (OFEs) accounted for 53%, investment funds (TFIs) for 25%, and banks for 22% of the final allocation.

Covered bond vs. unsecured bond

Feature	Mortgage covered bond	Unsecured bond
Legal basis for bond issuance	 Only mortgage banks licensed by the Polish Financial Supervision Authority are entitled to issue covered bonds	 Entities entitled to issue bonds are those specified in the Polish Act on Bonds
Type of financial instrument	 Under the provisions of the Act on Covered Bonds and Mortgage Banks and the Act on Bonds, a mortgage covered bond constitutes a debt instrument	 Under the provisions of the Act on Bonds, a bond constitutes a debt instrument
Collateral	 Mortgage covered bond liabilities are mainly backed by the mortgage bank's claims arising from residential mortgage loans.  The statutory overcollateralization requirement for covered bonds is at least 5%.	 In the majority of cases, liabilities arising from bonds are unsecured
Supervision over the collateral	 The maintenance of a cover register is mandatory and is overseen by a cover pool monitor appointed by the Polish Financial Supervision Authority (KNF)	 There is no statutory obligation to maintain a cover register, unless the issuer chooses to secure the bond voluntarily
Resistance to the risk of issuer insolvency	 Covered bondholders benefit from dual recourse: to the cover pool recorded in the cover register and to the mortgage bank itself.  Their claims are met from the assets designated as collateral.	 Bondholders rank pari passu with other creditors of the same bond class.  Where multiple bond classes exist, claims are satisfied according to the respective seniority.



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Role of mBank Hipoteczny within the mBank Group

Exclusive Covered Bond Issuer

mBank Hipoteczny is the only entity within the mBank Group authorized to issue covered bonds. This unique position enables it to provide stable and long-term funding for loans secured by real estate.

Issuance Activity Based on Residential Mortgage Portfolio

The bank's issuance activity is built on a portfolio of residential mortgage loans for individual clients, developed in close cooperation with mBank.

Highest Share of Residential Mortgages in Group Balance Sheet

mBank Hipoteczny continues to increase its share of residential mortgage loans within the mBank Group's balance sheet. As of June 30, 2025, this share reached 21.7%, the highest among competing mortgage banks in Poland.

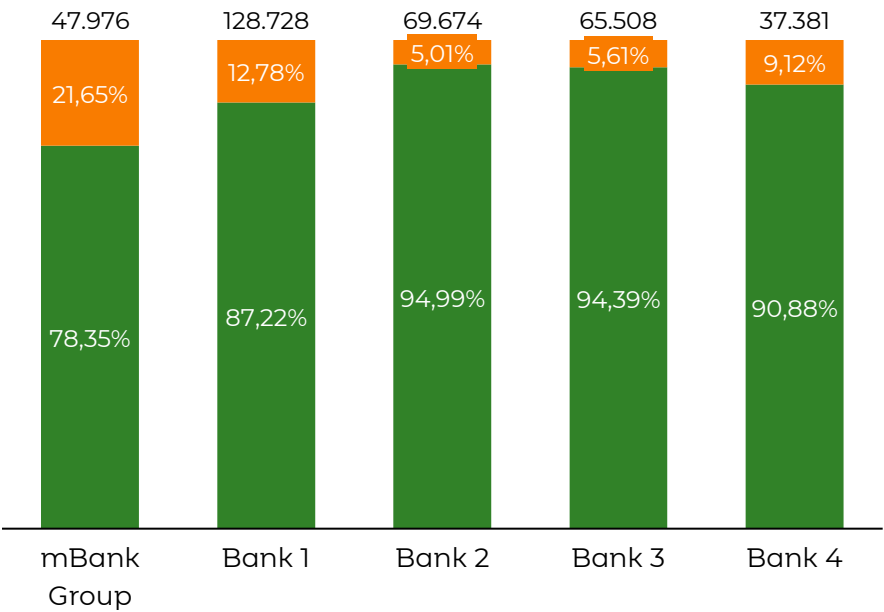
Ownership Structure

mBank Hipoteczny is wholly owned by mBank, whose majority shareholder is Commerzbank – a strategic investor.



Residential Mortgage Loans Held by Mortgage Banks in Capital Group Balance Sheets (PLN bn)

- Mortgage Lending in the Capital Group (excluding the mortgage bank)
- Mortgage Lending in the Mortgage Bank



Source: Consolidated financial statements of mBank Group, PKO Bank Polski, Bank Pekao, ING Bank Śląski, and Bank Millennium as of June 31, 2025.

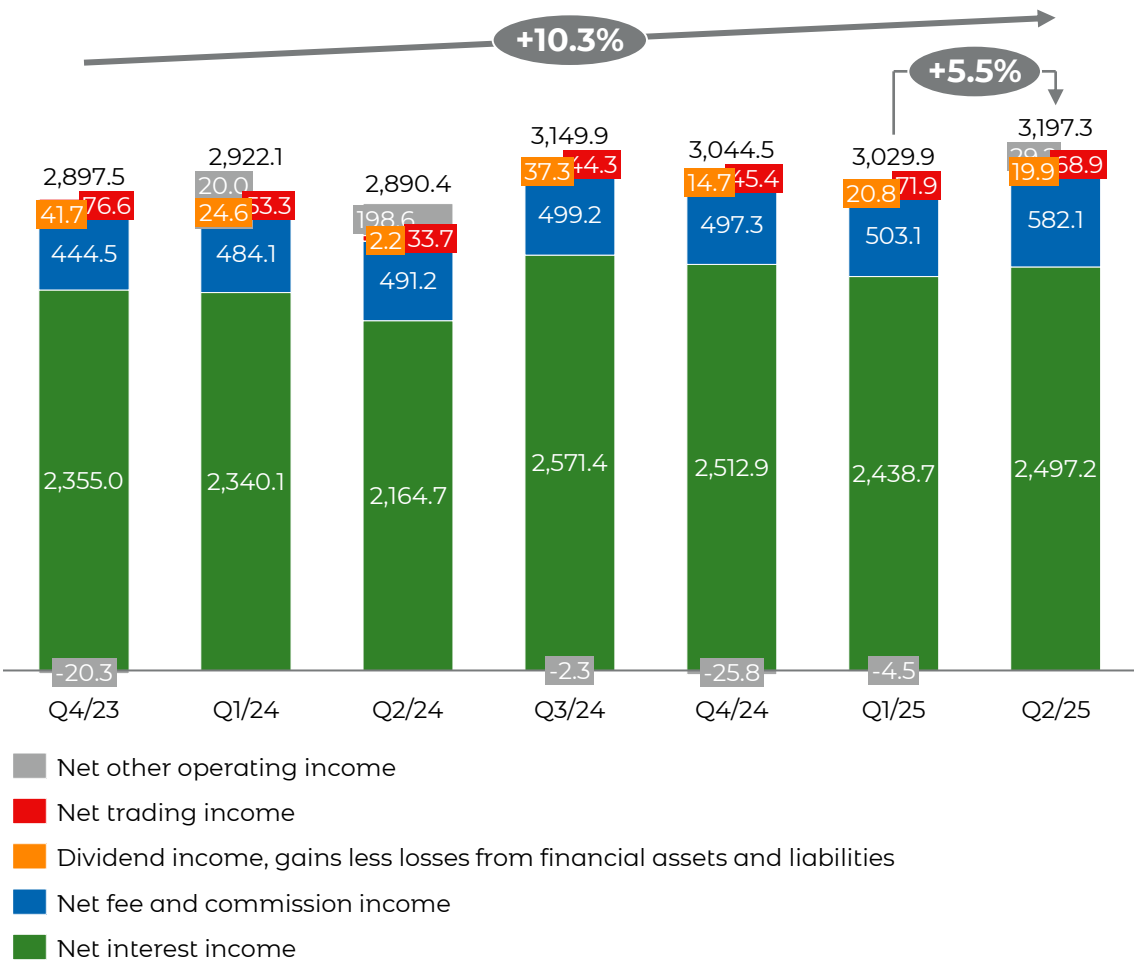
Summary of financial results in Q2 2025: Profit and Loss Account

PLN million	Q2 2024	Q1 2025	Q2 2025	Δ QoQ	Δ YoY
Net interest income	2 164,7	2 438,7	2 497,2	+2,4%	+15,4%
Net fee and commission income	491,2	503,1	582,1	+15,7%	+18,5%
Net trading and other income	234,6	88,1	117,9	+33,8%	-49,7%
Total income	2 890,4	3 029,9	3 197,3	+5,5%	+10,6%
Total costs (excl. compulsory contributions)	-782,2	-811,5	-876,7	+8,0%	+12,1%
Contributions to the BFG	1,0	-214,9	-23,4	-89,1%	+/-
Loan loss provisions and fair value change ¹	-171,3	-165,2	-129,6	-21,5%	-24,4%
Costs of legal risk related to FX loans	-1 033,5	-661,8	-543,7	-17,8%	-47,4%
Operating result	904,5	1 176,6	1 623,9	+38,0%	+79,5%
Taxes on the Group balance sheet items	-185,2	-187,1	-190,8	+2,0%	+3,0%
Profit or loss before income tax	719,3	989,5	1 433,1	+44,8%	+99,2%
Net profit or loss	421,9	705,7	959,4	+36,0%	+127,4%
Net interest margin (w/o "credit holidays")	4,44%	4,23%	4,12%	-0,11 pp	-0,32 pp
Cost/Income ratio	27,0%	33,9%	28,2%	-5,7 pp	+1,2 pp
Cost of risk	0,58%	0,53%	0,40%	-0,13 pp	-0,18 pp
Return on equity (ROE)	11,6%	15,6%	19,9%	+4,3 pp	+8,3 pp
Return on tangible equity (ROTE)	13,2%	20,3%	25,3%	+5,0 pp	+12,1 pp

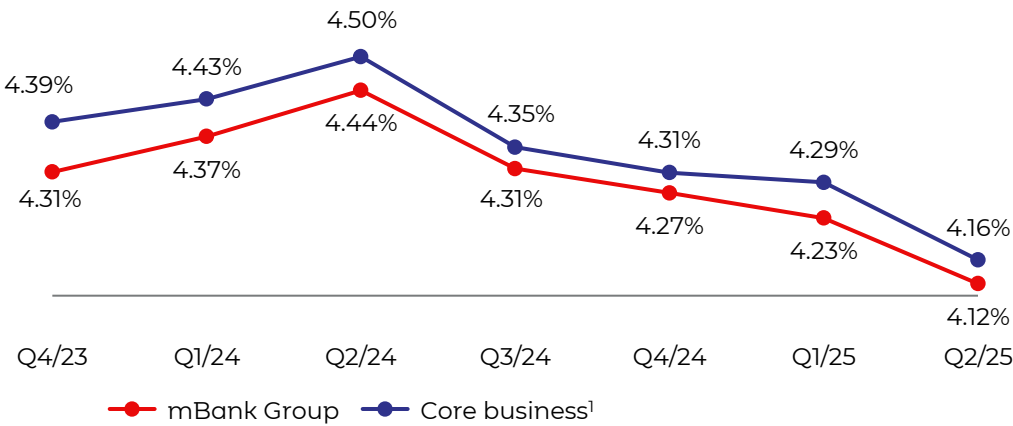
¹⁾ Sum of 'Impairment on financial assets not measured at fair value through profit or loss' and 'Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss' related to loans

Results of mBank Group after H1 2025 – Total income and margin

Development of mBank Group's total income



Development of net interest margin - quarterly data, excluding impact of "credit holidays"



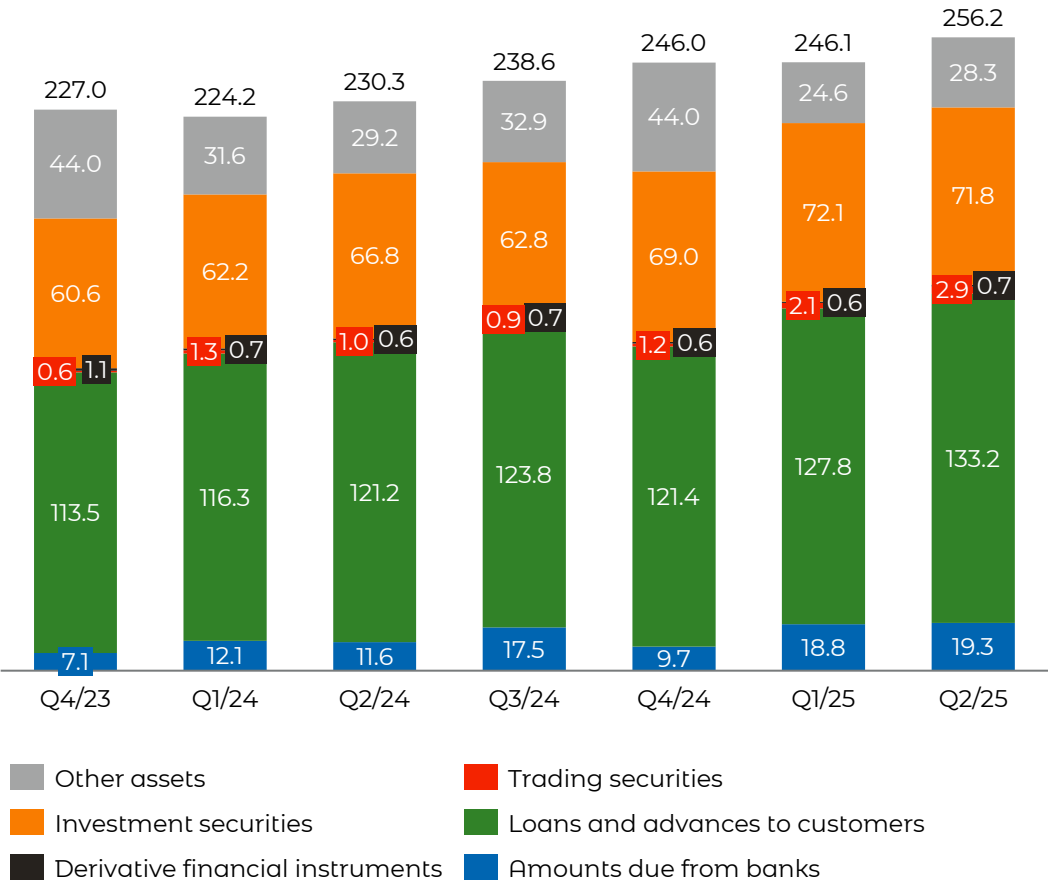
¹defined as mBank Group excluding FX Mortgage Loans segment

Reported revenue dynamics are distorted by one-off factors:

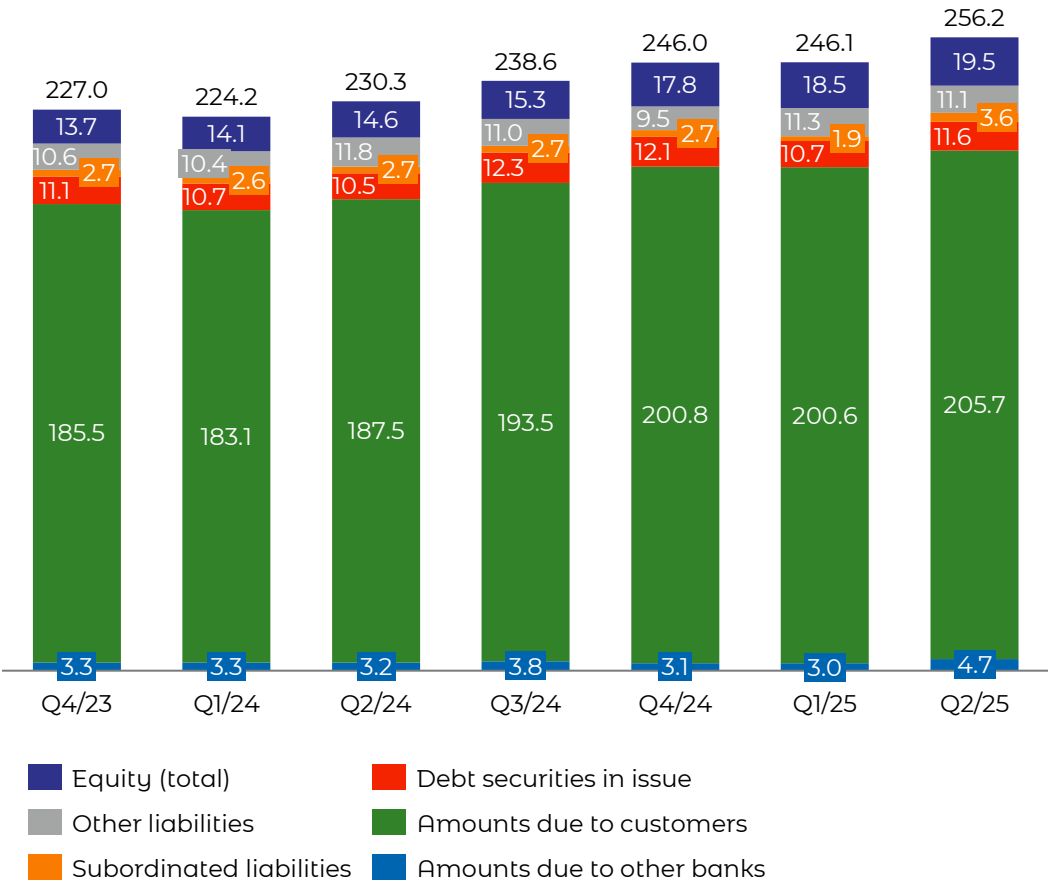
- in Q2/25: net fees and commissions included an upfront income from new contracts signed with UNIQA in the amount of PLN 43.0 million
- in Q2/24: other operating income included a refund of collection costs related to a loan insured by KUKE at PLN 164.0 million
- in Q2/24: net interest income was negatively impacted by the cost of extension of "credit holidays" at PLN 256.8 million

Selected Financial Data – Balance sheet analysis

Structure of mBank Group's total assets (PLN billion)



Structure of mBank Group's liabilities and equity (PLN billion)

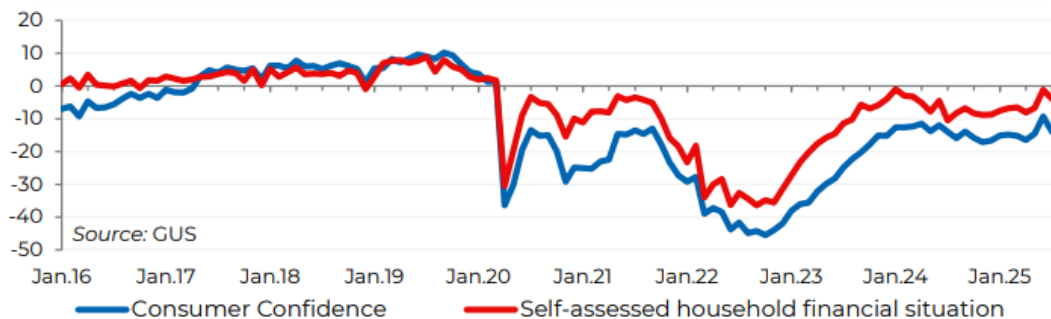




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- Poland: macroeconomic developments and mortgage market update

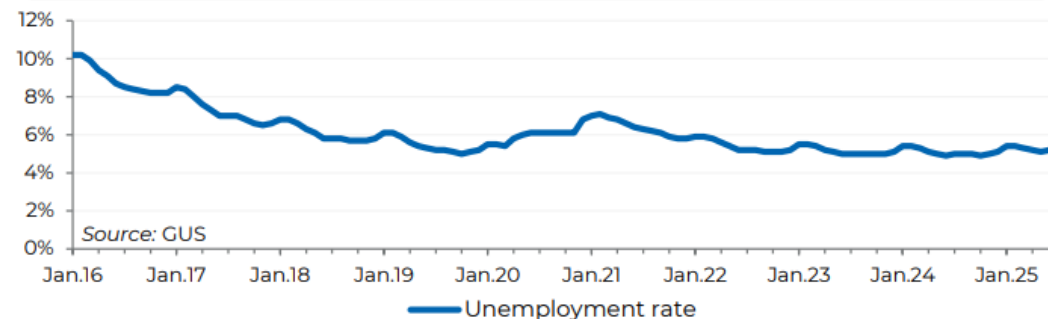
Macroeconomic situation in Poland: GDP growth, inflation, rates

Consumption growth is likely to pick up somewhat



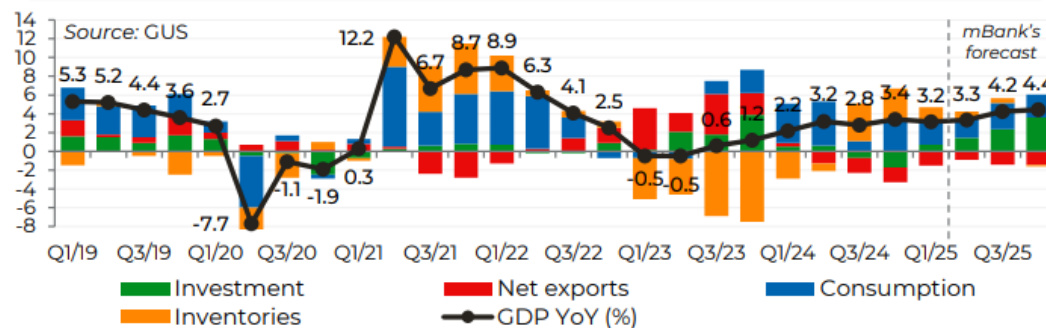
Soft indicators have risen of late suggesting a better outlook for consumption ahead. Overall, consumption is expected to increase slightly as consumers have largely replenished their savings, which were depleted earlier.

Unemployment rate (still) very low



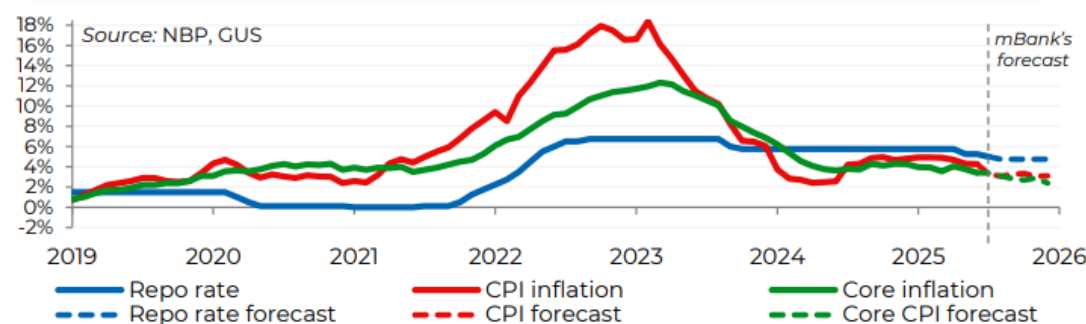
The labour market in Poland proved to be resilient in the past years. Given structural factors, the unemployment rate will remain low in the coming quarters buoyed by the ongoing economic recovery.

GDP path and forecast for Poland (% YoY)



GDP growth is seen to keep rising supported initially by private consumption. Investment is likely to accelerate thereafter as EU-led projects should kick off. GDP growth in 2025 is expected to reach 3.8%.

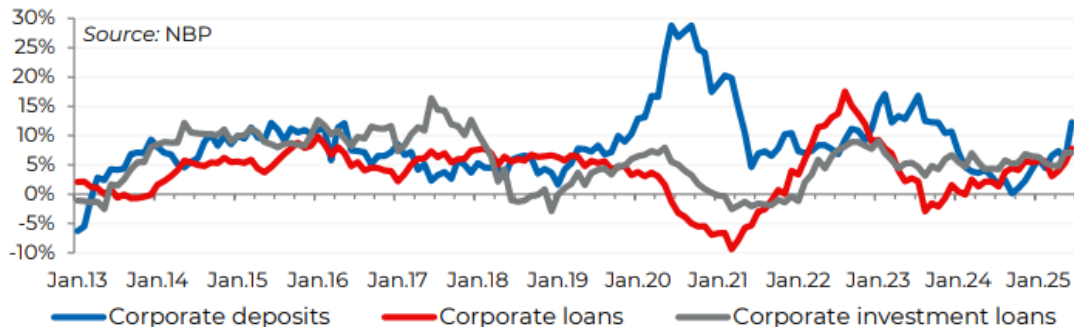
Inflation set to decline over 2025



Inflation was a bit elevated in Q2/25, but it should fall substantially from Q3/25 onwards. Core inflation should follow this trend as well. As a result, the MPC is likely to cut rates, which will reach 4.5% at the year-end.

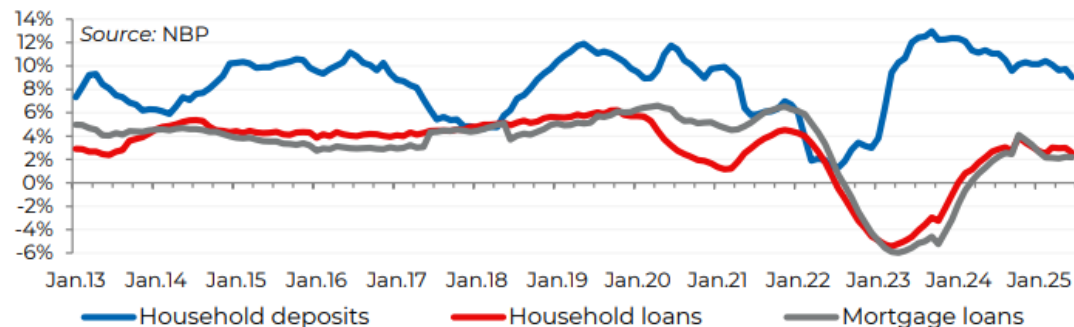
Macroeconomic situation in Poland: financial markets

Corporate loans and deposits (YoY, FX-adjusted)



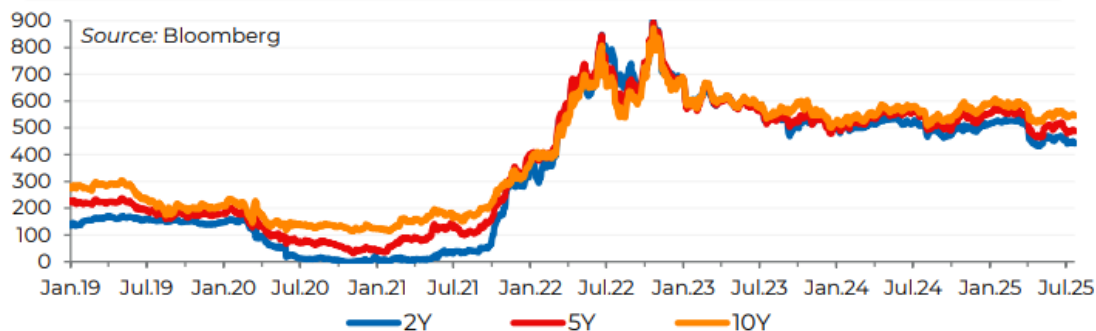
Deposit growth in the corporate sector started to accelerate. The same move is seen in the case of credit growth. The ongoing economic recovery should drive up demand for loans going forward.

Household loans and deposits (YoY, FX-adjusted)



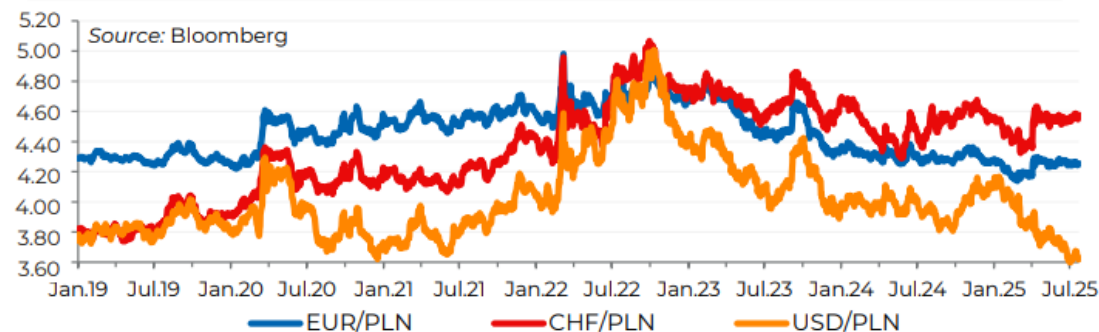
The strong labour market and expansionary fiscal policy support deposit accumulation. Credit growth is rising, and it is expected to continue this move amidst improving economic activity.

Government bond yields decreased somewhat recently (bps)



Bond yields on domestic debt have decreased recently. This was mainly due to a change in the rhetoric of Polish central bank regarding interest rates. Credit risk measures remain quite stable.

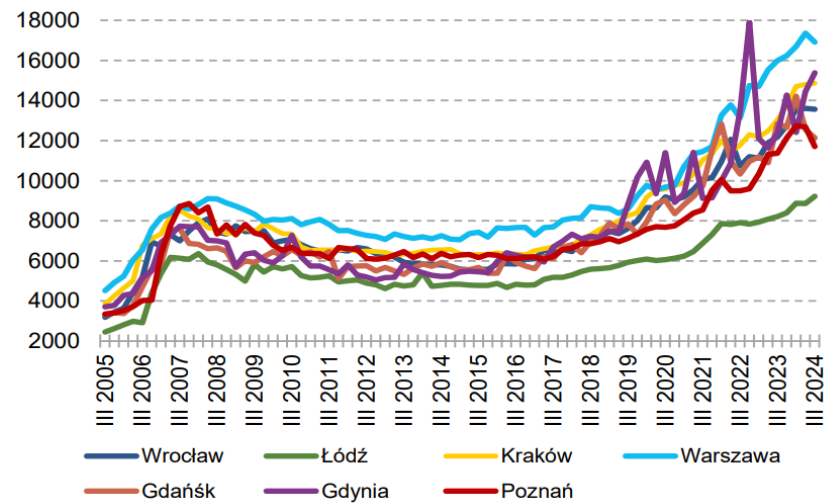
PLN got stronger against USD



Polish currency has gained ground against USD as the NBP has resumed rate cuts. On the other hand, PLN has largely stayed unchanged against EUR amid a continued US dollar weakness.

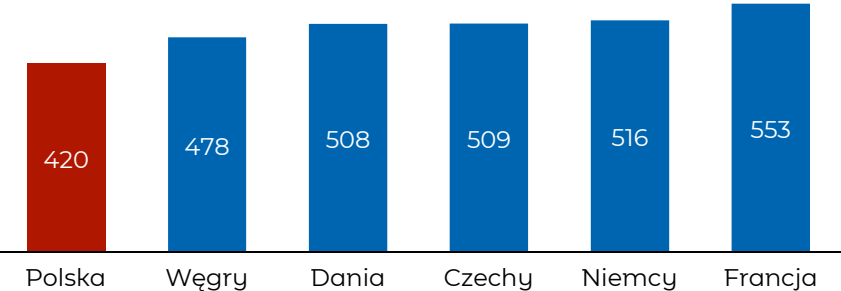
Poland's resilient and expanding residential market

Property Price Index, base year 2015 = 100



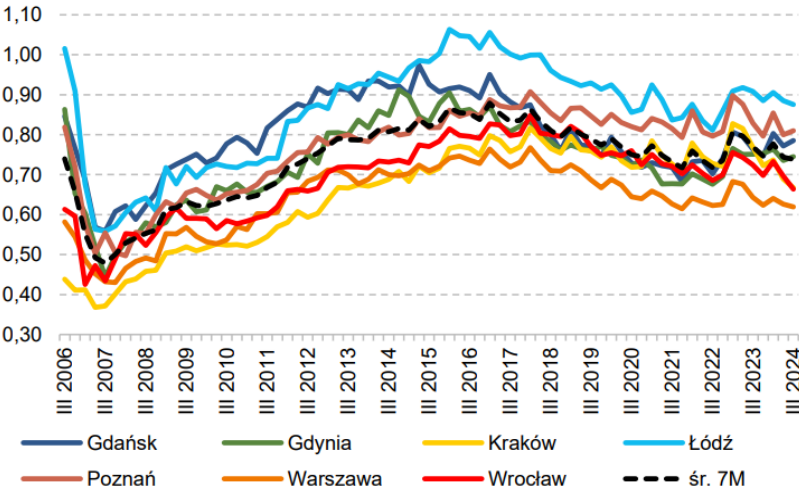
Source: NBP

Number of dwellings per 1,000 inhabitants, 2023



Source: Deloitte Property Index | 13 edition, August 2024

Estimated residential space affordable with the average monthly salary in the enterprise sector (in square meters)

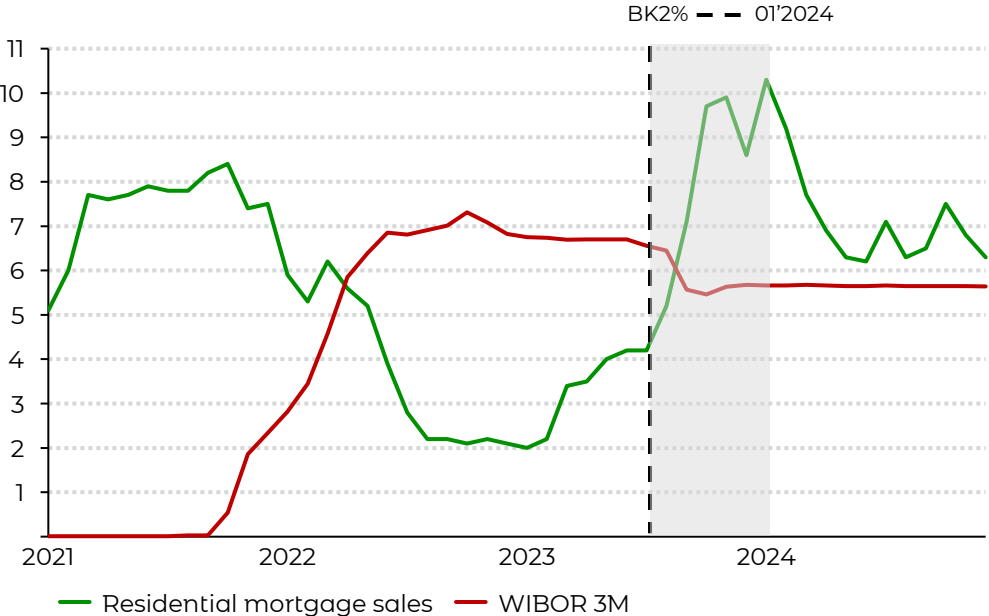


Source: NBP

- After a period of dynamic increases in both home purchase and rental prices, the real estate market in Poland is entering a phase of stabilization. Developer activity has intensified, with more building permits issued in 2024 than in 2023.
- The rise in housing prices has been accompanied by wage growth, which has prevented a significant decline in housing affordability.
- Housing provision in Poland remains lower than in other countries in the region or Western Europe, which is expected to drive further development of the residential sector.

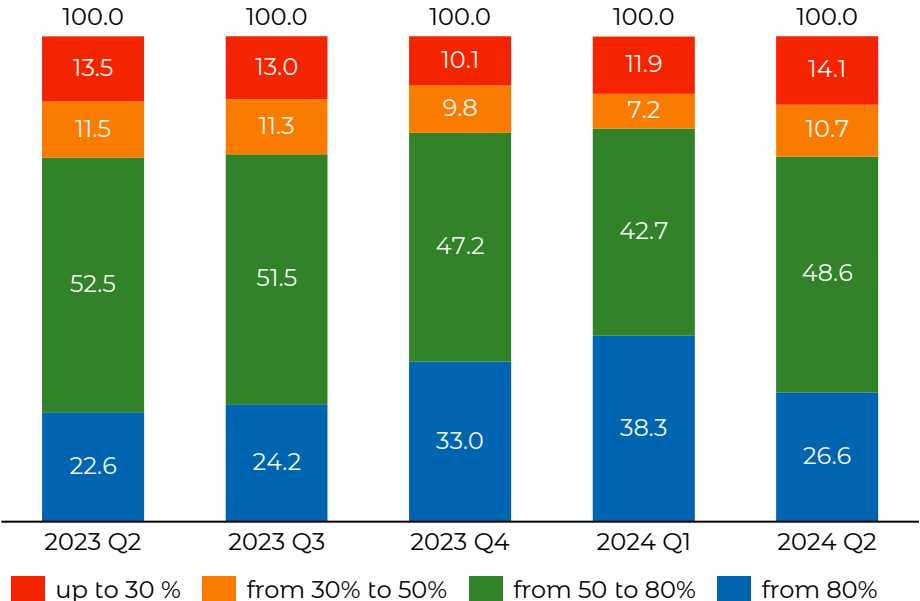
Polish mortgage market – current trends

Monthly residential mortgage origination, 2020–2024 (in billion PLN)



Source: BIK

Distribution of Loan-to-Value (LtV) ratios for new mortgage originations



Source: BIK

In 2024, the value of residential mortgage loans increased by 36.1% compared to the previous year, reaching PLN 87.1 billion. However, it should be noted that PLN 13.6 billion of the 2024 loan volume originated from applications submitted under the BK2% program. As a result, the “net” loan volume from applications submitted exclusively in 2024 amounted to PLN 73.5 billion.

The growth in the housing loan market was primarily visible in terms of value, especially for loans exceeding PLN 600,000. These loans recorded a year-on-year increase of nearly 115%. This surge was driven by rising property prices and improved creditworthiness, despite mortgage interest rates in the European Union reaching their highest levels.



- Appendix

Strategy of mBank Hipoteczny 2023-2026

- **Strategy of mBank Hipoteczny 2023-2026**

At the end of 2022, mBank Hipoteczny adopted a new strategy. It responds to the challenges arising from macroeconomic and regulatory changes. The strategy of mBank Hipoteczny is built around five key pillars listed below. An integral part of the strategy is also the Bank’s ESG Strategy.

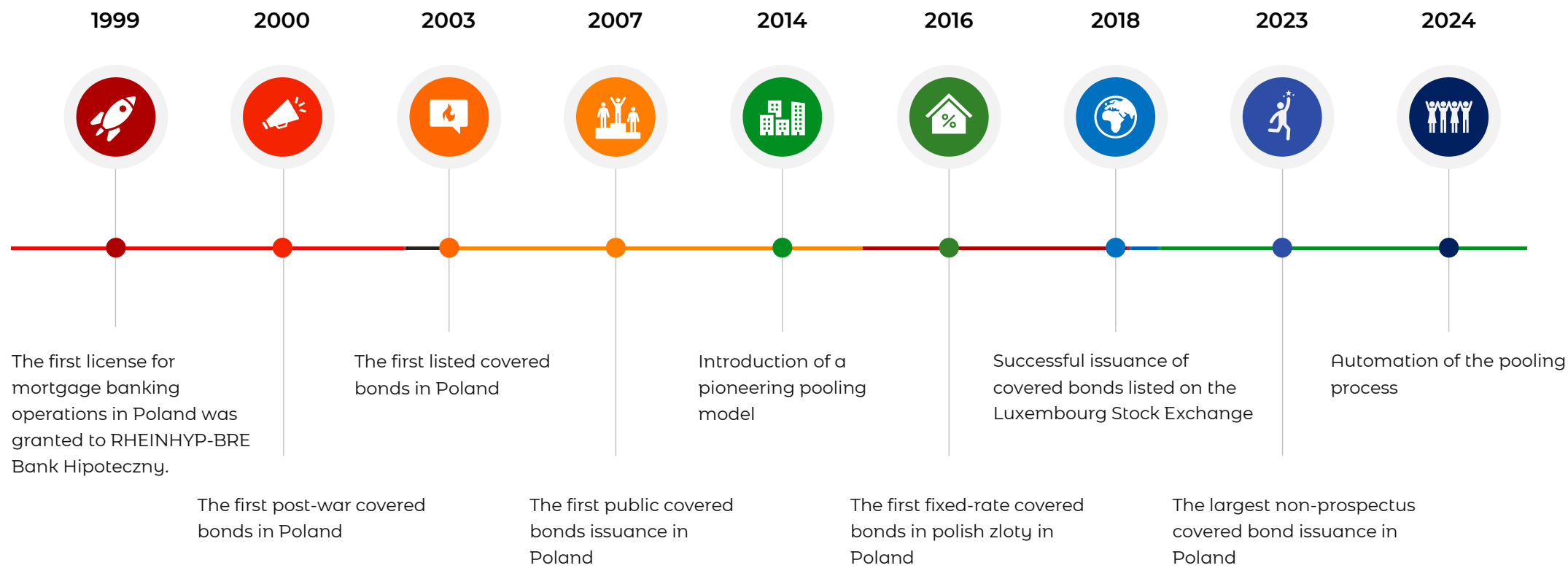
- **ESG Strategy of mBank Hipoteczny**

Together with mBank, mBank Hipoteczny will implement the ESG agenda for the Group as an integral part of its operations. mBank Hipoteczny is fully aware of its responsibility for the climate, society, the financial well-being of its clients, and compliance with the declared values of sustainable development.

- **Strategic Pillars of mBank Hipoteczny:**

Pooling	Covered bonds	Technology and Security	Risk management	Distinctive people	ESG Strategy
modern, automated, periodic pooling process	appropriate financial, organizational, and legal infrastructure enabling the issuance of covered bonds secured by mortgages	ensuring cost-effective, efficient, and secure operation of IT systems	effective management of all material types of risk arising from the implementation of the adopted business strategy	building efficient team focused on 5 basic corporate values: authenticity, empathy, courage, responsibility and cooperation	contributing to global and national initiatives aimed at advancing sustainable development

History of mBank Hipoteczny's operations



Acquisition of residential mortgage loans – pooling model

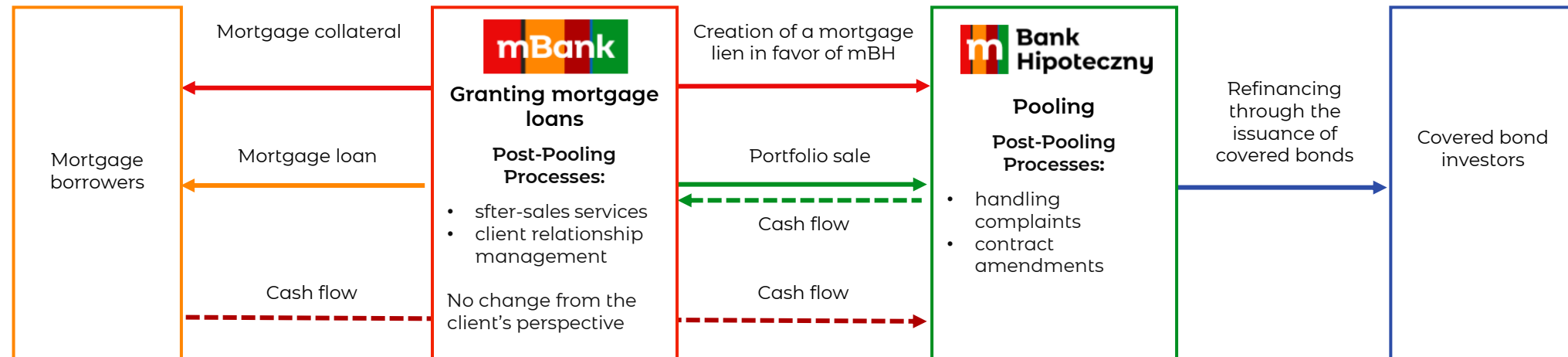
- **Introduction of a pioneering pooling model**

In 2014, mBank Hipoteczny implemented a groundbreaking method for acquiring residential mortgage portfolios in Poland. Based on a master purchase agreement signed with mBank, the bank introduced an innovative pooling model for transferring mortgage loans.

- **Refinancing Residential Mortgages via Covered Bonds**

The acquisition of an existing mortgage loan portfolio from mBank for the purpose of refinancing it with covered bonds supports: strengthening the Group's long-term funding base, enhancing balance sheet stability, aligning funding sources with the maturity profile of mortgage assets.

- **Pooling Process Stages:**



Regulatory framework for mortgage banking activities

- Regulatory framework for mortgage banking activities

Mortgage banks in Poland operate under a number of statutes and other regulations, primarily based on the Act on Covered Bonds and Mortgage Banks of August 29, 1997. In areas not regulated by this Act, the rules for the issuance, trading, and redemption of mortgage covered bonds are governed by the provisions of the following laws:

- the Act on Public Offering and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies,
- the Act on Trading in Financial Instruments,
- the Act on Bonds,
- and the Regulation on the Prospectus to be Published in Connection with a Public Offering of Securities or Admission of Securities to Trading on a Regulated Market.

- Legal basis for the issuance of covered bonds

According to the Act on Covered Bonds and Mortgage Banks, the only entities authorized to issue covered bonds in Poland are specialized mortgage banks.

- Covered bond issuances are secured, among other things, through statutory requirements, including:

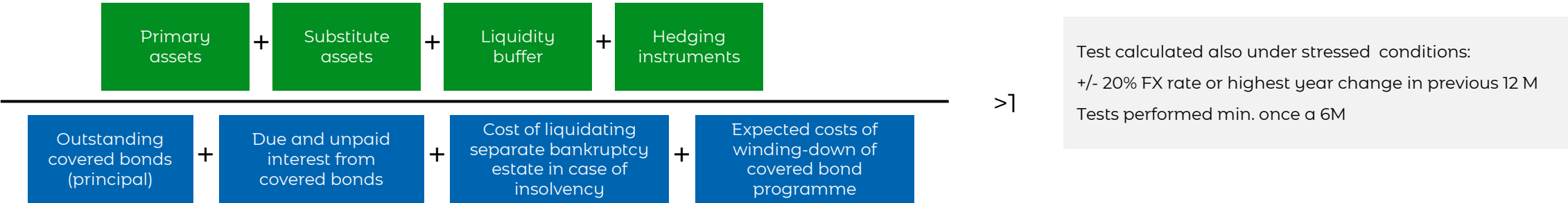
Permission for the issuance of covered bonds granted by the Polish Financial Supervision Authority (KNF) mBH holds an authorization to issue covered bonds granted on December 1, 1999.	Oversight exercised by a cover pool monitor designated by KNF The cover pool monitor is tasked with verifying that the cover assets for covered bonds meet all statutory and regulatory requirements.	The internal regulation for establishing the mortgage lending value of real estate, as approved by KNF Changes to the internal regulation governing the determination of the mortgage lending value (MLV) must be approved by KNF.	Adherence to statutory limits concerning the collateral securing covered bonds Liquidity and coverage tests are performed for each calendar day of the year to ensure compliance with statutory requirements and to maintain the security of covered bond issuance.	The statutory minimum overcollateralization requirement applicable to covered bonds Mortgage banks are required to maintain overcollateralization at a minimum level of 5% of the nominal value of outstanding covered bonds, in accordance with statutory provisions	Regulated insolvency of a mortgage bank These provisions ensure that, in the case of bankruptcy, the cover pool securing covered bonds remains protected and is managed separately to safeguard the interests of bondholders.
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Obligatory cover pool tests

- Coverage Test

In accordance with the Act on Covered Bonds and Mortgage Banks, mBH conducts a coverage test — that is, as of the determination date, whether the mortgage bank’s receivables and the rights and funds referred to in Article 18(3), (3a), and (4), entered into the covered bond register, are sufficient to fully satisfy the holders of covered bonds.

The coverage test is carried out at least every six months, and the calculation is as follows:



- Liquidity Test

In accordance with the Act on Covered Bonds and Mortgage Banks, mBH conducts a liquidity test — that is, as of the determination date, whether the mortgage bank’s receivables and the rights and funds referred to in Article 18(3), (3a), and (4), entered into the covered bond register, are sufficient to fully satisfy the holders of covered bonds in the extended maturity dates referred to in Article 446(1) of the Bankruptcy Law.

The liquidity test is carried out at least every three months, and the calculation is as follows, based on a standard 6-month time horizon (test with 12-moth horizon is performed additionally with principal and interest payments from primary assets):

