

This is a translation from the original Supplement dated 4 March 2016 and should not be read in substitution of the original Supplement. This translation of the original Supplement dated 4 March 2016 does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Offer or to subscribe or purchase of any of the Mortgage and Public Sector Covered Bonds.

## Supplement

Supplement dated 4 March 2016

### **mBank Hipoteczny S.A.**

Issue of Mortgage Covered Bonds for a total amount of PLN 300,000,000 Series HPA28  
under the Covered Bond Issue Programme of up to PLN 6,000,000,000

This document is a Supplement to the Terms and Conditions of Covered Bond Issues contained in the Issuer's Issue Prospectus approved by the Financial Supervision Authority by virtue of Decision No. DEM/WE/410/36/24/09, dated 28 October 2009 ("the Prospectus"). The terms used in this document shall be deemed defined terms for the purposes of the Issue Terms and Conditions set forth in the Prospectus.

Mortgage Covered Bonds Series HPA28 are being issued within the Bearer Public Sector and Mortgage Covered Bond Programme, under which the Issuer is authorised to issue Public Sector and Mortgage Covered Bonds up to the total par value of PLN 6,000,000,000 or its equivalent in other currencies specified in the Prospectus.

This document contains the detailed terms of the offer of Mortgage Covered Bonds Series HPA28 issued within the scope of the Bearer Public Sector and Mortgage Covered Bond Programme, pursuant to art. 24 item 1 of the Act on Public Offering.

THIS SUPPLEMENT CONTAINING THE FINAL TERMS OF THE OFFER OF THE MORTGAGE COVERED BONDS SERIES HPA28 WAS PREPARED FOR THE PURPOSES SPECIFIED IN ART. 5 ITEM 4 OF THE DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND THE COUNCIL. THE SUPPLEMENT CAN BE TREATED AS A SOURCE OF FULL INFORMATION ON THE ISSUER AND THE OFFERING OF COVERED BONDS ONLY IF READ TOGETHER WITH THE BASE PROSPECTUS. THE BASE PROSPECTUS IS AVAILABLE IN ELECTRONIC FORM AT THE WEBSITES OF THE ISSUER AND ENTITIES PARTICIPATING IN THE SUBSCRIPTION FOR COVERED BONDS. A HARDCOPY OF THE BASE PROSPECTUS IS AVAILABLE AT THE REGISTERED OFFICES OF THE ISSUER AND THE OFFEROR, AT THE INFORMATION CENTRE OF THE FINANCIAL SUPERVISION AUTHORITY, AT THE REGISTERED OFFICE OF BONDSPOT S.A. OR THE WARSAW STOCK EXCHANGE.

#### **1. Rights and obligations under Series HPA28 Mortgage Covered Bonds and dates as of which the rights accrue and the obligations should be performed**

The rights and obligations under Mortgage Covered Bonds are described in the Issue Terms and Conditions of Covered Bonds contained in the Programme's Prospectus. The final Issue Terms and Conditions of Series HPA28 Mortgage Covered Bonds presented below are supplementary to the Issue Terms and Conditions specified in the Prospectus.

#### ***Final Terms and Conditions of Series HPA28 Mortgage Covered Bonds ("CB")***

The capitalised terms presented below have the meaning defined in the Issue Terms and Conditions.

Issuer:	mBank Hipoteczny S.A.
Type, series, CB number:	Mortgage Covered Bonds of Series HPA28
Total par value of CBs being issued:	PLN 300,000,000
Nominal value per CB	PLN 1,000
Issue Price (selling price) per CB:	100% of the par value per CB
Issue Date:	9 March 2016
Interest Commencement Date:	Issue Date
Maturity Date:	5 March 2021
Interest:	Variable Interest Rate being a sum of WIBOR reference rate + 1,20 % p.a. WIBOR reference rate means 3M WIBOR

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## **PROVISIONS CONCERNING INTEREST**

### **Provisions concerning Variable Rate Covered Bonds**

Interest Periods:	<p>The period beginning on the Interest Commencement Date (including that date) and ending on the first Interest Payment Date (but excluding that date) and any subsequent period beginning on a given Interest Payment Date (including that date) and ending on the next Interest Payment Date (but excluding that date).</p> <p>For the avoidance of doubt, for the purpose of indicating the beginning and the ending of an Interest Period the Interest Payment Date shall not be adjusted in line with the Business Day Convention).</p>
Interest Payment Dates:	5 March, 5 June, 5 September, 5 December in each year (adjusted in line with the Business Day Convention), provided that the last Interest Payment Date falls on the Maturity Date.
Business Day Convention:	Following Business Day Convention, i.e. if payment under CB is due on a day which is not a Business Day, such payment or action shall be moved to the next Business Day.
Day Count Convention:	Actual/365 (Fixed)
Interest Period Change Date:	5 March, 5 June, 5 September, 5 December in each year
Relevant time:	At 11.00 a.m. Warsaw time
Interest Fixing Date:	A day falling two Business Days prior to the first day of the relevant Interest Period
Screen:	The page WIBOR of Reuter's screen or the successor to such page
Reference Banks:	PKO BP S.A., Bank Pekao S.A., Bank Handlowy w Warszawie S.A.

### **Provisions concerning maturity and redemption of CBs**

Maturity Amount:	PLN 300,000,000
Maturity Amount per CB:	PLN 1,000
Maturity Date:	5 March 2021
Redemption of Covered Bonds	The Holder of Covered Bonds may not, subject to mandatory provisions of law, submit its Covered Bonds for repurchase before the Maturity Date.

### **Provisions Governing the Manner and Time Limits of Interest Payment in the Event that the Issuer is Declared Bankrupt**

Interest Payment Dates	5 March, 5 June, 5 September, 5 December in each year (adjusted in line with the Business Day Convention)
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Payment Method

Interest shall be paid via Krajowy Depozyt Papierów Wartościowych S.A., in accordance with the applicable regulations of Krajowy Depozyt Papierów Wartościowych S.A.

### **Provisions Governing the Time Limits and Terms of CB Repurchase in the Event that the Issuer is Declared Bankrupt**

Time Limits and Terms of Repurchase

In the event the Issuer is declared bankrupt the maturity date of the CB is prolonged till 5 March 2022, subject to the exceptions as indicated in the Issue Terms and Conditions of Covered Bonds contained in the Programme's Prospectus.

### **Other provisions:**

The final Issue Terms and Conditions of Series HPA28 Mortgage Covered Bonds and the Prospectus are prepared in Warsaw.

On behalf of the Issuer:

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By Authorised Representative

## **2. Issuer**

mBank Hipoteczny Spółka Akcyjna, registered office in Warsaw

**Address:** Al. Armii Ludowej 26, 00-609 Warsaw

**Telephone and fax numbers:** + 48 22 579 7500/01

**Website:** [www.mhipoteczny.pl](http://www.mhipoteczny.pl)

## **3. Rating assigned to the Issuer and Series HPA28 Mortgage Covered Bonds**

3.1 The Issuer has a long-term international rating (IDR) at the level of 'BBB-' with positive outlook, short-term international rating (IDR) at the level of 'F3' and support rating at the level of '2'. Mortgage Covered bonds have a rating of 'BBB' by Fitch Ratings with positive outlook. Rating for Series HPA28 Mortgage Covered Bonds will be confirmed on Issue Date.

## **4. Number, type, unit par value and designation of the issue of Covered Bonds**

The Base Prospectus approved by the Financial Supervision Commission on 28 October 2009, this Supplement, the resolution of the Issuer's Management Board No 12/2016 of 23 February 2016 concerning the issue of Series HPA28 mortgage covered bonds provide the basis for the offering of Series HPA28 bearer Mortgage Covered Bonds numbered from 1 (one) to 300,000 (three hundred thousand), with the unit par value of PLN 1,000 and the total par value of PLN 300,000,000.

Series HPA28 Mortgage Covered Bonds are issued as part of the Covered Bond Issue Programme, on the basis of the Prospectus. As part of the Programme, the Issuer may issue up to 6,000,000 Mortgage or Public Sector Covered Bonds with a total par value of up to PLN 6,000,000,000.

The Issue Prospectus for the Covered Bond Issue Programme was made available on 3 November 2009 at the Issuer's registered office, at the Dom Maklerski mBanku S.A. (formerly: DI BRE) registered office situated at ul. Wspólna 47/49, Warsaw, at the Information Centre of the Financial Supervision Authority at Plac Powstańców Warszawy 1, Warsaw, at the offices of BondSpot S.A. at Al. Armii Ludowej 26, Warsaw / a company Giełda Papierów Wartościowych S.A. (Warsaw Stock Exchange) at ul. Książęca 4, Warsaw. The Prospectus for the Programme has been published at the Issuer's website [www.rhb.com.pl](http://www.rhb.com.pl) (at present [www.mhipoteczny.pl](http://www.mhipoteczny.pl)).

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## 5. Collateral for Series HPA28 Mortgage Covered Bonds

The basis for the issue of Mortgage Series HPA28 Covered Bonds are the Issuer's claims under loans advanced by the Issuer; the claims are entered in the covered bond collateral register maintained by the Issuer. The claims entered in the covered bond collateral register are also the basis for all other covered bond issues by the Issuer. Additionally, the basis for the issue of the covered bonds are the funds of the Issuer allocated in Treasury bonds purchased within two transactions and entered, on the acceptable level, in the mortgage cover register as supplementary cover.

### 5.1 Mortgage Covered Bonds

#### 5.1.1 General description of claims under mortgage-backed loans.

As at 25.01.2016, the Issuer's portfolio of claims under mortgage-backed loans granted by the Issuer and entered in the covered bond collateral register comprises claims under a total of 7,878 loan agreements.

The tables below present an overview of the claims:

#### General description of the portfolio of claims under mortgage-backed loans, representing the basis for the issue of Mortgage Covered Bonds, as at 25 January 2016 (PLN '000)

##### Currency structure and value ranges of claims securing Mortgage Covered Bonds as at 25 January 2016

Value ranges (PLN '000)	Value of loans (PLN '000)	Value of EUR-denominated loans (PLN '000)	Value of USD-denominated loans (PLN '000)	Total
<= 250	687 421	6 442	2 216	<b>696 080</b>
250.1 - 500	763 959	7 448	685	<b>772 092</b>
500.1 - 1 000	300 829	11 547	1 275	<b>313 651</b>
1 000.1 - 5 000	174 392	172 852	10 396	<b>357 639</b>
5 000.1 - 10 000	151 261	136 450	24 651	<b>312 361</b>
10 000.1 - 15 000	198 068	245 218	14 657	<b>457 943</b>
15 000.1 - 20 000	94 019	200 964	32 896	<b>327 879</b>
20 000.1 - 30 000	189 911	373 680	0	<b>563 590</b>
30 000.1 - 40 000	180 234	408 472	0	<b>588 706</b>
40 000.1 - 50 000	90 182	353 048	0	<b>443 230</b>
> 50 000.1	0	664 468	0	<b>664 468</b>
<b>Total</b>	<b>2 830 275</b>	<b>2 580 588</b>	<b>86 776</b>	<b>5 497 639</b>
<b>Share in the portfolio (%)</b>	<b>51.48%</b>	<b>46.94%</b>	<b>1.58%</b>	

##### Portfolio of claims securing Mortgage Covered Bonds by borrower as at 25 January 2016

Borrower	Value (PLN '000)	Share in the portfolio (%)
Legal persons / sole traders	3 689 155	67.10%
Natural persons	1 808 484	32.90%
<b>Total</b>	<b>5 497 639</b>	<b>100.00%</b>

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**Portfolio of claims securing Mortgage Covered Bonds by use of funds  
as at 25 January 2016**

<b>Use of funds</b>	<b>Value (PLN '000)</b>	<b>Share in the portfolio (%)</b>
Commercial real estate	3 524 572	64.11%
Residential real estate	1 973 067	35.89%
<b>Total</b>	<b>5 497 639</b>	<b>100.00%</b>

**Portfolio of claims securing Mortgage Covered Bonds by interest rate type  
as at 25 January 2016**

<b>Interest rate type</b>	<b>Value (PLN '000)</b>	<b>Share in the portfolio (%)</b>
Variable interest rate	5 497 639	100.00%
Fixed interest rate	0	0.00%
<b>Total</b>	<b>5 497 639</b>	<b>100.00%</b>

**Portfolio of claims securing Mortgage Covered Bonds by maturity  
as at 25 January 2016**

<b>Term ranges (in years)</b>	<b>Value (PLN '000)</b>	<b>Share in the portfolio (%)</b>
0 - 2	269 339	4.90%
2 - 3	87 753	1.60%
3 - 4	117 391	2.14%
4 - 5	103 528	1.88%
5 - 10	528 964	9.62%
> 10	4 390 664	79.86%
<b>Total</b>	<b>5 497 639</b>	<b>100.00%</b>

**Portfolio of claims securing Mortgage Covered Bonds by geographical regions  
as at 25 January 2016**

<b>Province</b>	<b>Value (PLN '000)</b>	<b>Share in the portfolio (%)</b>
Wrocław Province	811 465	14.76%
Bydgoszcz Province	93 445	1.70%
Lublin Province	130 539	2.37%
Zielona Góra Province	17 223	0.31%
Łódź Province	195 441	3.56%
Kraków Province	458 261	8.34%

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Warsaw Province	2 019 356	36.73%
Opole Province	100 478	1.83%
Rzeszów Province	81 956	1.49%
Białystok Province	22 089	0.40%
Gdańsk Province	403 286	7.34%
Katowice Province	342 227	6.22%
Kielce Province	77 182	1.40%
Olsztyn Province	58 068	1.06%
Poznań Province	466 791	8.49%
Szczecin Province	219 831	4.00%
<b>Total</b>	<b>5 497 639</b>	<b>100.00%</b>

**Portfolio of claims securing Mortgage Covered Bonds by progress of investment as at 25 January 2016**

<b>Progress of investment</b>	<b>Value (PLN '000)</b>	<b>Share in the portfolio (%)</b>
Projects under construction	399 972	7.28%
Completed projects	5 097 667	92.72%
<b>Total</b>	<b>5 497 639</b>	<b>100.00%</b>

Source: the Issuer

5.1.2 General description of acquired claims under other bank's mortgage-backed loans

As at 25 January 2016, the Issuer has claims (under other bank's mortgage-backed loans) purchased from other banks under a total of 2,656 loan agreements, which have been entered in the covered bond collateral register.

**6. Selling Price of Series HPA28 Mortgage Covered Bonds**

The selling price of Series HPA28 Mortgage Covered Bonds is PLN 1,000 per a Series HPA28 Mortgage Covered Bond.

**7. Information on the Terms and Conditions of the Offering (Firm Commitment Underwritten Offering)**

7.1 Terms and Conditions, Parameters and Expected Schedule of the Offering, Actions Connected with Placement of Orders

7.1.1 Issue Size

As part of this Series HPA28 of Covered Bonds, no more than 300,000 Mortgage Covered Bonds are being sold and 300,000 Mortgage Covered Bonds are being offered in a Firm Commitment Underwritten Offering.

7.1.2 Closing and Opening Dates of the Offering and Subscription Procedure

**A. Dates and place for acceptance of subscription orders for Covered Bonds**

*Offering addressed to Invited Investors and Institutional Investors*

Authorised persons will be able to place orders for Series HPA28 Covered Bonds on 7 March 2016 (9.00-15.00) at the following place:

- mBank's S.A. brokerage house situated at ul. Senatorska 18, Warsaw.

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## **B. Rules Governing Placement of Subscription Orders for Covered Bonds**

### *Offering addressed to Invited Investors and Institutional Investors*

Subscription orders for Series HPA28 Covered Bonds purchased from the Firm Commitment Underwriter shall be accepted from the investors to whom Invitations were sent in accordance with the rules set forth in Chapter XVII, Section 1.1.3, letter B of the Base Prospectus and from Institutional Investors.

The investor shall be entitled to place a subscription order for Covered Bonds in the number equal to the number of Covered Bonds specified in the Invitation sent to such an investor and not exceeding the number of Covered Bonds the investor declared to purchase during the bookbuilding process.

Placement by an investor of an order for a number of Covered Bonds lower than specified in the Invitation or payment by the investor for a number of Covered Bonds lower than specified in the Invitation may lead to a situation where the investor will be allotted no Covered Bonds. Nonetheless, the Firm Commitment Underwriter may decide to allot Covered Bonds in the number resulting from the payment made by the investor. Placement of a subscription order for a number of Covered Bonds higher than specified in the Invitation will be regarded as a subscription order for the number of Covered Bonds specified in the Invitation.

Institutional Investors who did not participate in the bookbuilding process or who did participate in the bookbuilding process but did not receive the Invitation may place subscription orders on general terms for not less than 300 Covered Bonds and not more than the aggregate number of Covered Bonds offered by the Firm Commitment Underwriter.

Institutional Investors who, irrespective of their participation in the bookbuilding process or receipt of an Invitation, placed the subscription for Covered Bonds on general terms, should read the rules for the allocation of the Covered Bonds contained in this Supplement.

In order to place a subscription order, an investor should fill in a form including the following details:

- Investor's details:
  - first name and surname of natural person / name of legal person / name of unincorporated organisational unit,
  - place of residence / registered office, address
  - address for correspondence,
  - Personal Identification Number (PESEL) and identification document number or passport number (in the case of natural persons) / Industrial Identification Number (REGON) or other identification number (in the case of Polish legal persons)/(unincorporated organisational units) or number in the relevant register in the country of origin (in the case of foreign legal persons),
  - foreign exchange status (information whether the investor is a resident or non-resident within the meaning of the Foreign Exchange Act),
- number of subscribed Covered Bonds;
- purchase price per Covered Bond of a given series;
- aggregate amount of the payment made for Covered Bonds;
- information on the account to which a return of payment, if any, should be made;
- representation to the effect that the investor is familiar with the Prospectus and the Supplement, including the risk factors described therein, and accepts the terms and conditions governing the acquisition of Covered Bonds;
- Date and signature of the persons placing the subscription order.

Persons placing orders on behalf of a legal person or an unincorporated organisational unit should, no later than at the time of submitting the order, provide valid documents confirming their authorisation to represent the investor as well as documents which are required under applicable laws and regulations to effectively purchase Covered Bonds, unless such documents have been already provided in connection with another transaction and can be regarded as valid and up to date.

The form of a subscription order for Covered Bonds purchased from the Firm Commitment Underwriter shall be provided by the mBank's S.A. brokerage house.

Any consequences of an inaccurate filling in of the subscription order form shall be borne by the person placing the order.

Subscription orders may be placed by fax if the agreement executed by the Invited Investor and the entity accepting the order provides for such a possibility.

The subscription for Covered Bonds shall be irrevocable, unconditional and may not contain any reservations. However, investors should note that pursuant to Art. 51a of the Public Offering Act in the event that a supplement to a prospectus is published after the opening of the subscription or sale, a person who submitted a subscription order before the supplement is made available may avoid the legal effect of the subscription by submitting a relevant written statement to one of the Customer Service Points of the investment firm acting as the offeror with respect to the securities within the period specified in the annex to the Prospectus, not shorter than two business days following the date on which the annex to the Prospectus was published. The right to avoid the legal effect of a subscription order does not apply if a supplement is made available in connection with any misstatements in a prospectus of which the issuer or the selling shareholder became aware following the allotment of securities or circumstances arising, or of which the issuer or the selling shareholder became aware, following such allotment. The issuer or the selling shareholder may allot

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securities no earlier than following the end of the period during which an investor may avoid the legal effect of the subscription order.

Considering that payment for Series HPA28 Covered Bonds will be made by way of exchange of settlement instructions between the entity maintaining the investor's securities account and the entity representing the Firm Commitment Underwriter (*delivery versus payment*), the investor shall be required to indicate in the subscription form the securities account for the purpose of settlement of payments and settlement of Series HPA28 Covered Bonds and the name of the brokerage house/bank maintaining the account; otherwise, the subscription order shall be invalid.

#### *Acting through a proxy*

Investors may acquire Series HPA28 Covered Bonds through a proxy. Acting through a proxy is subject to the rules and regulations of the entity at which investors intend to subscribe for Covered Bonds.

The number of powers of proxy is not limited.

#### 7.1.3 Reduction of subscription orders and return of overpayments to investors

##### *Offering addressed to Invited Investors and Institutional Investors*

Covered Bonds of Series HPA28 shall first be allotted among investors who have participated in the bookbuilding process and on the basis of received Invitations duly placed the subscription orders and paid for the Covered Bonds of Series HPA28. In relation to these Invited Investors Series HPA28 Covered Bonds shall be allotted in the number specified in the subscription orders. Covered Bonds of Series HPA28 may also be allotted, at the discretion of the Firm Commitment Underwriter, to other investors, who duly placed and paid for the subscription orders.

If an investor purchasing Series HPA28 Covered Bonds from the Firm Commitment Underwriter makes a payment exceeding the amount payable pursuant to the rules contained in this Supplement, the overpayment shall be returned by the entity with which the investor placed the subscription order to the account specified by the investor in the subscription order within seven business days from the allotment date of a given series.

Considering that payment for Series HPA28 Covered Bonds will be made by way of exchange of settlement instructions between the entity maintaining the investor's securities account and the entity representing the Firm Commitment Underwriter (*delivery versus payment*), in order to pay for the Covered Bonds subscribed for, the investor shall be required to issue a settlement instruction in accordance with the parameters specified in the Invitation. If a clearing instruction is issued with different parameters, this may result in the subscription order not being paid up in due time and the investor not being allotted the Series HPA28 Covered Bonds subscribed for

#### 7.1.4 Minimum and Maximum Subscription Size

##### *Offering addressed to Invited Investors and Institutional Investors*

An Invited Investor shall be authorised to subscribe for the number of Covered Bonds specified in the Invitation sent to such investor, which shall not exceed the number of Covered Bonds which the investor declared to purchase during the bookbuilding process.

Institutional Investors who did not participate in the bookbuilding process or who did participate in the bookbuilding process but did not receive the Invitation may place subscription orders on general terms for not less than 300 Covered Bonds and not more than the aggregate number of Covered Bonds offered by the Firm Commitment Underwriter.

#### 7.1.5 Time and Manner of Payment; Delivery of Securities

##### *Offering addressed to Invited Investors and Institutional Investors*

Payment for Covered Bonds purchased by Invited Investors and Institutional Investors from the Firm Commitment Underwriter should be made in full, in PLN in the manner which will ensure that not later than on 9 March 2016 until 10.30 a.m. the funds have been deposited in the account of an entity who collected the subscription orders for Series HPA28 Covered Bonds.

Payment for Series HPA28 Covered Bonds shall be made by way of exchange of settlement instructions between the entity maintaining the investor's securities account and the entity representing the Issuer (*delivery versus payment*). In order to pay for the Series HPA28 Covered Bonds subscribed for the investor shall be required to issue a settlement instruction at the time and with the parameters indicated in the Invitation.

A full payment shall be understood as the payment of an amount equal to the product of the number of Series HPA28 Covered Bonds specified in the Invitation to place a subscription order sent to the Invited Investor or the number of Series HPA28 Covered Bonds specified in the subscription order form delivered by the Institutional Investor, and the Selling Price per Series HPA28 Covered Bond.

Information on the manner of payment for Covered Bonds purchased by an investor from the Firm Commitment Underwriter shall be available from mBank's S.A. brokerage house during the subscription period for Series HPA28 Covered Bonds and, in addition, shall be provided to investors in the Invitation to place a subscription order.

## **Delivery of Securities**

The Issuer shall apply to the Polish NDS for the conclusion of an agreement on registration of Covered Bonds of a given series with the Polish NDS. Upon allotment of Covered Bonds of a given series, the Issuer and the Firm Commitment Underwriter shall take action to promptly have the Covered Bonds deposited in the investment accounts of the persons to whom they were allotted.



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Registration of Series HPA28 Covered Bonds with the Polish NDS shall take place following the clearing and settlement by the Polish NDS of transactions executed as part of the Offering, resulting in the registration of Series HPA28 Covered Bonds in the registration accounts of participants simultaneously with debiting of their cash accounts, i.e. registration shall take place upon submission to the Polish NDS by the entity maintaining the investor's securities account of a settlement instruction made out in accordance with the settlement instruction issued by and the entity representing the Firm Commitment Underwriter, and upon payment for Series HPA28 Covered Bonds.

Considering that registration of Series HPA28 Covered Bonds will be made by way of exchange of settlement instructions between the entity maintaining the investor's securities account and the entity representing the Firm Commitment Underwriter (delivery versus payment), the investor shall be required to indicate the securities account for the purpose of settlement of payments and settlement of Series HPA28 Covered Bonds.

#### 7.1.6 Manner and Time of Publishing Information on the Results of the Public Offering

The results of the public offering of Series HPA28 Covered Bonds shall be published by the Issuer in a current report within fourteen days from the closing of subscription for Series HPA28 Covered Bonds.

#### 7.1.7 Investors to whom the Offering is Addressed

The Offering of Series HPA28 Covered Bonds is addressed to:

- Invited Investors, i.e. natural persons, legal persons and their unincorporated organisational units, both residents and non-residents within the meaning of the Foreign Exchange Act, who may subscribe for Covered Bonds in accordance with the terms and conditions set forth in the Prospectus.
- Institutional Investors, i.e. legal persons, both residents and non-residents within the meaning of the Foreign Exchange Act, who may subscribe for Covered Bonds in accordance with the terms and conditions set forth in the Prospectus.

#### 7.1.8 Notification of the Number of Allotted Securities

An investor is entitled to receive information on the number of allotted Covered Bonds at the offices of the entity maintaining the investor's investment account and in accordance with the rules of procedure followed by that entity, and if the Covered Bonds are deposited in the issue sponsor's account – at mBank S.A. Investors should take into account that no notifications on the allotment shall be sent unless such a requirement follows from the rules of procedure effective at the entity with which the investor's subscription order was placed.

In particular, trading in Covered Bonds acquired by investors may commence before they learn of the number Covered Bonds allotted to them, since the commencement of trading in Covered Bonds is not contingent upon notifying the subscribers of the number of Covered Bonds allotted to them. Investors are therefore advised to contact the entities maintaining their investment accounts in order to obtain information on the allotment size.

#### 7.2 Selling Price of /interest rate on Covered Bonds

The selling price of Series HPA28 Covered Bonds is PLN 1,000 per a Series HPA28 Mortgage Covered Bond and the interest rate is 3M WIBOR + 1,20 % p.a.

An investor placing a subscription order for Covered Bonds shall not bear any additional costs related to such order placement. It should be also noted that payments for Covered Bonds made by investors shall bear no interest, and in the case of a return of payment, an investor shall not be entitled to any interest or compensation.

#### 7.3 Placement and Underwriting

##### 7.3.1 Names and Addresses of Lead Managers of the Entire Offering and its Particular Parts:

The Public Offering's lead manager is mBank S.A., registered office at ul. Senatorska 18, Warsaw, Poland. mBank S.A. also participates in the Offering, as Firm Commitment Underwriter with respect to Series HPA28 Covered Bonds.

##### 7.3.2 Names and Addresses of Paying Agents and Entities Providing Deposit Services

The paying agent and the entity providing deposit services is the National Depository for Securities, registered office at ul. Książęca 4, Warsaw, Poland, as well as investment firms, clearing houses and banks keeping securities accounts in which Covered Bonds will be deposited.

##### 7.3.3 Names and Addresses of Entities Underwriting the Issue on a Firm Commitment Basis; Names and Addresses of Entities who Agreed to Place the Offering with no Firm Commitment or on a Best Efforts Basis

The entity which undertook to place the offering with no firm commitment is mBank's S.A. brokerage house, registered office at ul. Senatorska 18, Warsaw.

The entity with which the Issuer executed a firm commitment underwriting agreement on 4 March 2016 is mBank S.A., registered office at ul. Senatorska 18, Warsaw.

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#### 7.3.4 Underwriting Agreement Execution Date

The Issuer has executed a firm commitment underwriting agreement with mBank S.A. on 4 March 2016. According to the agreement, mBank S.A. undertook to acquire up to 300,000 items of the Mortgage Covered Bonds, each of them on its own behalf and on its own account, for the purpose of their further disposal to the Investors, and the Issuer undertook to allocate this number of the Mortgage Covered Bonds to mBank S.A. as the Underwriter. The number of the Mortgage Covered Bonds, which shall be allocated to mBank S.A., shall be not less than the number of the Mortgage Covered Bonds with respect to which the Declarations to Acquire Mortgage Covered Bonds shall be previously filed by the Investors approved by mBank S.A. and with respect to which mBank S.A. or the Offering Party sent the Invitation to Subscribe but no more than 300,000 items of the Mortgage Covered Bonds.

On the Supplement publication date on account of the services provided for in the Underwriting Agreement the Issuer undertook to pay in favour of the Underwriter the remuneration in the amount not exceeding PLN 449,260.27.

On the Supplement publication date the Issuer also undertook to pay in favour of the Offering Party and the Underwriter the commission on account of the placement of the mortgage covered bonds which shall not exceed PLN 421,309.59.

## 8. Admission of Securities to Trading; Trading-Related Arrangements

### 8.1 Indication whether the offered securities are or will be the subject of an application for admission to trading

The Issuer's intention is that Covered Bonds be admitted and introduced to trading on the regulated market. The Issuer intends to submit relevant applications for admission and introduction of Covered Bonds to trading up to 14 Days upon the allotment of Series HPA28 Covered Bonds.

The Issuer's intention is that Covered Bonds be admitted and introduced to trading on the regulated market Catalyst.

### 8.2 Regulated markets or equivalent markets on which, to the Issuer's knowledge, securities of the same class as the securities that are being offered or admitted to trading are admitted to trading.

In the past, the Issuer issued covered bonds which were admitted to trading on the regulated market operated by BondSpot S.A., previously known as MTS-CeTO S.A.

Under the programme of bearer mortgage bonds of the total nominal value of PLN 500,000,000 approved by Decision No. DSP/E/412/18/02/2/2003 of 25th February 2003, by the Securities and Exchanges Commission, the Bank issued the following mortgage covered bonds series :

- PA1, in amount of PLN 200,000,000, traded under the code PLRHNHP00011
- PA2, in amount of PLN 200,000,000, traded under the code PLRHNHP00029
- PA3, in amount of PLN 100,000,000, traded under the code PLRHNHP00037

The mortgage covered bonds series PA1, in amount of PLN 200,000,000, traded under the code PLRHNHP00011 were redeemed by Issuer on 10th April 2008, according to the terms and conditions of the issue.

The mortgage covered bonds series PA2, in amount of PLN 200,000,000, traded under the code PLRHNHP00029 were redeemed by Issuer on 10th October 2008, according to the terms and conditions of the issue.

The mortgage covered bonds series PA3, in amount of PLN 100,000,000, traded under the code PLRHNHP00037 were redeemed by Issuer on 12th April 2010, according to the terms and conditions of the issue.

Under the covered bonds programme of bearer mortgage and public sector covered bonds of the total nominal value of PLN 2,000,000,000 approved Decision No. DEM/410/090/15/07 of 14th June 2007, by the Financial Supervision Authority, the Bank issued the following covered bonds series :

- public sector covered bonds
  - PUA1, in amount of PLN 100,000,000, traded under the code PLRHNHP00045
  - PUA2, in amount of PLN 200,000,000, traded under the code PLRHNHP00052
  - PUA3, in amount of PLN 170,000,000, traded under the code PLRHNHP00078
  - PUA4, in amount of PLN 100,000,000, traded under the code PLRHNHP00110
- mortgage covered bonds
  - HPA1, in amount of PLN 170,000,000, traded under the code PLRHNHP00060
  - HPA2, in amount of PLN 200,000,000, traded under the code PLRHNHP00086
  - HPA3, in amount of PLN 250,000,000, traded under the code PLRHNHP00094
  - HPA4, in amount of PLN 200,000,000, traded under the code PLRHNHP00102
  - HPA5, in amount of PLN 150,000,000, traded under the code PLRHNHP00128
  - HPA6, in amount of PLN 60,000,000, traded under the code PLRHNHP00136
  - HPA7, in amount of PLN 300,000,000, traded under the code PLRHNHP00144

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The mortgage covered bonds series HPA2, in amount of PLN 200,000,000, traded under the code PLRHNHP00086 were redeemed by Issuer on 28th September 2010, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA1, in amount of PLN 170,000,000, traded under the code PLRHNHP00060 were redeemed by Issuer on 29th November 2010, according to the terms and conditions of the issue.

The public sector covered bonds series PUA3 in amount of PLN 170,000,000, traded under the code PLRHNHP00078 were redeemed by Issuer on 29th November 2010, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA3, in amount of PLN 250,000,000, traded under the code PLRHNHP00094 were redeemed by Issuer on 28th April 2011, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA6, in amount of PLN 60,000,000, traded under the code PLRHNHP00136 were redeemed by Issuer on 16th May 2011, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA4, in amount of PLN 200,000,000, traded under the code PLRHNHP00102 were redeemed by Issuer on 15th June 2011, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA5, in amount of PLN 150,000,000, traded under the code PLRHNHP00128 were redeemed by Issuer on 7th October 2011, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA7, in amount of PLN 300,000,000, traded under the code PLRHNHP00144 were redeemed by Issuer on 15th June 2012, according to the terms and conditions of the issue.

The public sector covered bonds series PUA1, in amount of PLN 100,000,000, traded under the code PLRHNHP00045 were redeemed by Issuer on 27th July 2012, according to the terms and conditions of the issue.

The public sector covered bonds series PUA2, in amount of PLN 200,000,000, traded under the code PLRHNHP00052 were redeemed by Issuer on 28th September 2012, according to the terms and conditions of the issue.

The public sector covered bonds series PUA4, in amount of PLN 100,000,000, traded under the code PLRHNHP00110 were redeemed by Issuer on 20th September 2013, according to the terms and conditions of the issue.

Under the covered bonds programme of bearer mortgage and public sector covered bonds of the total nominal value of PLN 6,000,000,000 approved Decision No. DEM/WE/410/36/24/09 of 28th October 2009, by the Financial Supervision Authority, the Bank issued the following covered bonds series :

- mortgage covered bonds
- HPA8, in amount of PLN 25,000,000, traded under the code PLRHNHP00151
  - HPA9, in amount of PLN 25,000,000, traded under the code PLRHNHP00169
  - HPA10, in amount of PLN 200,000,000 traded under the code PLRHNHP00177
  - HPA11, in amount of PLN 100,000,000 traded under the code PLRHNHP00185
  - HPA12, in amount of PLN 100,000,000 traded under the code PLRHNHP00193
  - HPA13, in amount of PLN 200,000,000 traded under the code PLRHNHP00219
  - HPA14, in amount of PLN 100,000,000 traded under the code PLRHNHP00227
  - HPA15, in amount of PLN 200,000,000 traded under the code PLRHNHP00235
  - HPA16, in amount of PLN 100,000,000 traded under the code PLRHNHP00243
  - HPA17, in amount of PLN 200,000,000 traded under the code PLRHNHP00250
  - HPA18, in amount of PLN 200,000,000 traded under the code PLRHNHP00268
  - HPA19, in amount of PLN 200,000,000 traded under the code PLRHNHP00276
  - HPE1, in amount of EUR 10,000,000 traded under the code PLRHNHP00300
  - HPA20, in amount of PLN 100,000,000 traded under the code PLRHNHP00318
  - HPA21, in amount of PLN 80,000,000 traded under the code PLRHNHP00326
  - HPE2, in amount of EUR 30,000,000, traded under the code PLRHNHP00334
  - HPE3, in amount of EUR 50,000,000, traded under the code PLRHNHP00342
  - HPE4, in amount of EUR 7,500,000, traded under the code PLRHNHP00359
  - HPE5, in amount of EUR 8,000,000, traded under the code PLRHNHP00367
  - HPE6, in amount of EUR 15,000,000, traded under the code PLRHNHP00375
  - HPE7, in amount of EUR 20,000,000, traded under the code PLRHNHP00383
  - HPA22, in amount of PLN 300,000,000 traded under the code PLRHNHP00391
  - HPA23, in amount of PLN 200,000,000 traded under the code PLRHNHP00409
  - HPE8, in amount of EUR 20,000,000, traded under the code PLRHNHP00417

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- HPE9, in amount of EUR 50,000,000, traded under the code PLRHNHP00425
- HPA24, in amount of PLN 200,000,000 traded under the code PLRHNHP00433
- HPE10, in amount of EUR 20,000,000, traded under the code PLRHNHP00441
- HPA25, in amount of PLN 250,000,000 traded under the code PLRHNHP00458
- HPE11, in amount of EUR 11,000,000, traded under the code PLRHNHP00466
- HPE12, in amount of EUR 50,000,000, traded under the code PLRHNHP00474
- HPA26, in amount of EUR 500,000,000, traded under the code PLRHNHP00482
- HPA27, in amount of EUR 255,000,000, traded under the code PLRHNHP00490
  - public sector covered bonds
- PUA5, in amount of PLN 100,000,000, traded under the code PLRHNHP00201
- PUA6, in amount of PLN 100,000,000, traded under the code PLRHNHP00284
- PUA7, in amount of PLN 150,000,000, traded under the code PLRHNHP00292

The above mentioned series of mortgage covered bonds were admitted and introduced to trading on the regulated market Catalyst.

The mortgage covered bonds series HPA8, in amount of PLN 25,000,000, traded under the code PLRHNHP00151 were redeemed by Issuer on 29th April 2013, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA17, in amount of PLN 200,000,000, traded under the code PLRHNHP00250 were redeemed by Issuer on 21st October 2013, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA9, in amount of PLN 25,000,000, traded under the code PLRHNHP00169 were redeemed by Issuer on 28th April 2014, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA10, in amount of PLN 200,000,000, traded under the code PLRHNHP00177 were redeemed by Issuer on 28th July 2014, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA12, in amount of PLN 100,000,000, traded under the code PLRHNHP00193 were redeemed by Issuer on 28th November 2014, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA14, in amount of PLN 100,000,000, traded under the code PLRHNHP00227 were redeemed by Issuer on 15th May 2015, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA16, in amount of PLN 100,000,000, traded under the code PLRHNHP00243 were redeemed by Issuer on 7th July 2015, according to the terms and conditions of the issue.

The mortgage covered bonds series PUA6, in amount of PLN 100,000,000, traded under the code PLRHNHP00284 were redeemed by Issuer on 28th July 2015, according to the terms and conditions of the issue.

The mortgage covered bonds series HPA11, in amount of PLN 100,000,000, traded under the code PLRHNHP00185 were redeemed by Issuer on 28th September 2015, according to the terms and conditions of the issue.

The mortgage covered bonds series PUA5, in amount of PLN 100,000,000, traded under the code PLRHNHP00201 were redeemed by Issuer on 30th November 2015, according to the terms and conditions of the issue.

### 8.3 Names and addresses of entities under a binding obligation to act as intermediaries in secondary market trading and ensuring liquidity by quoting buy and sell offers, as well as key terms and conditions of their obligation

The Issuer has not entered into any agreement with intermediaries in secondary market trading, ensuring liquidity by quoting buy and sell offers.

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#### **REPRESENTATION BY THE TRUSTEE**

In performance of the provisions of Art. 6.9 of the Act on Covered Bonds and Mortgage Banks of August 29th 1997 (Dz. U. of 2003, No. 99, item 919, as amended), I Piotr Czyżewski, as the Trustee of mBank Hipoteczny S.A., represent that the issue of Series HPA28 mortgage covered bonds which this Supplement concerns is secured by the Issuer in accordance with the said Act. The Issuer has made appropriate entries in the collateral register for mortgage covered bonds. I also represent that the issue of Series HPA28 mortgage covered bonds does not breach the requirements specified in Art. 18 of the said Act as at 25 January 2016.

Warsaw, 26 January 2016

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Piotr Czyżewski