



mBank Hipoteczny Spółka Akcyjna

(incorporated as a joint-stock company under the laws of the Republic of Poland)

EUR 3,000,000,000

Programme for the issuance of the Covered Bonds (*hipoteczne listy zastawne*)

This supplement (the “**Supplement**”) constitutes the second supplement to the Base Prospectus dated 6 July 2017, as supplemented on 10 August 2017 (the “**Base Prospectus**”) and must be read in conjunction with the Base Prospectus prepared by mBank Hipoteczny S.A. (the “**Issuer**” or the “**Bank**”) regarding this EUR 3,000,000,000 Programme for the issuance of the Covered Bonds (*hipoteczne listy zastawne*) (the “**Programme**”). All capitalised terms used but not otherwise defined shall have the meanings ascribed to them in the Base Prospectus.

The Issuer accepts responsibility for the information contained or incorporated by reference in this Supplement. To the best of the Issuer’s knowledge (having taken reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import. This Supplement has been prepared according to Article 13 of Chapter I of Part II of the Luxembourg Act dated 10 July 2005 on prospectuses, as amended (the “**Prospectus Act**”). This Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) of the Grand Duchy of Luxembourg in its capacity as competent authority under the Prospectus Act for the purposes of the Prospectus Directive.

Information contained in this Supplement updates and/or revises comparable information contained in the Base Prospectus. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement, and (b) any other statement in or incorporated by reference in the Base Prospectus, the statement in (a) above will prevail.

Except as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

This Supplement will be published in electronic form on the website of the Luxembourg Stock Exchange under www.bourse.lu, will be available free of charge at the specified offices of the Bank and will be published in electronic form on the website of the Bank under www.mhipoteczny.pl.

AMENDMENTS TO THE BASE PROSPECTUS

Information regarding the Regulation (EU) No. 2016/1011

The following paragraph shall be added on the cover page of the Base Prospectus before the paragraph beginning with “The Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) [...]”:

“Interest and/or other amounts payable under the Covered Bonds may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the “**Benchmarks Regulation**”). Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable laws, the Issuer does not intend to update the Base Prospectus to reflect any changes in the registration status of the relevant administrator.

Amounts payable on Floating Rate Covered Bonds will be calculated by reference to one of EURIBOR, LIBOR or WIBOR, as specified in the relevant Final Terms. As at 9 April 2018, the administrators of EURIBOR, LIBOR and WIBOR are not included in ESMA’s register of administrators under Article 36 of the Benchmarks Regulation. As far as the Bank is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that European Money Markets Institute, ICE Benchmark Administration and GPW Benchmark S.A. are not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).”

Update to the “Important Notice” section

The following paragraph shall be added to the Important Notice section below the last paragraph on page (iii) of the Base Prospectus:

“MiFID II product governance / target market – The Final Terms in respect of any Covered Bonds may include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealer nor any of its respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.”

Update to the “Subscription and Sale” section

The following paragraph shall replace the subsection “*Subscription and Sale - European Economic Area*” on page 103 of the Base Prospectus:

“Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (A) the expression “retail investor” means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (b) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (c) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”); and
- (B) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.”

Update to the Form of Final Terms

The following new legend shall be added to the top of the Form of Final Terms on page 39 of the Base Prospectus:

“[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)] [MiFID II]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Covered Bonds (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the

“**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.”

Legal entity identifier (LEI) of the Issuer shall be added to the Form of Final Terms on page 39 of the Base Prospectus under the name of the Issuer:

“Legal entity identifier (LEI): 259400BX0JB4WFBARF57”

Documents incorporated by reference

On 2 March 2018 the Bank published the financial statements for the year ended on 31 December 2017. In connection with the publication of the financial statements the following section shall be added on page 35 of the Base Prospectus:

- “
- (g) the English translation of the audited financial statements of the Bank as of as for the year ended on 31 December 2017:
 - (i) income statement – page 2;
 - (ii) statement of comprehensive income – page 3;
 - (iii) statement of financial position – page 4;
 - (iv) statement of changes in equity – page 5;
 - (v) statement of cash flow – 6; and
 - (vi) explanatory notes to the standalone financial statements – pages 7-100;
 - (h) the English translation of the auditor’s report prepared in connection with the financial statements of the Bank as of and for the year ended on 31 December 2017.”

Management Board

In the subsection "*Management of the Bank - General*" on page 79 of the Base Prospectus, the second paragraph shall be replaced with the following sentence:

"To the best of the Bank's knowledge as of the date of this Base Prospectus, as supplemented on 9 April 2018, there are no potential conflicts of interest between the duties of the members of the Management Board or the Supervisory Board with respect to the Bank and their private interests or other duties."

The table and its description on page 79 of the Base Prospectus shall be replaced with the table and text below:

Management Board

The Management Board manages the activities of the Bank, acts on the Bank's behalf, and makes decisions in all matters regarding the Bank which are not reserved for the General Meeting or the Supervisory Board. The Management Board is also responsible for making all decisions concerning the Bank’s issuances of covered bonds. The Management Board's by-laws further regulate the operations of the Management Board.

The Management Board consists of three to four members who are appointed and dismissed by the Supervisory Board. The members of the Management Board are appointed for a joint three year term. There are no restrictions on the reappointment of members of the Management Board. As of the date of this Base Prospectus, as supplemented on 9 April 2018, the members of the Management Board are:

Name	Year of birth	Position	Commencement of membership	Commencement of current term	Date of expiration of the current term
Piotr Cyburt	1956	President of the Management Board	18 March 1999	18 April 2016	18 April 2019
Marcin Wojtachnio	1974	Member of the Management Board	15 August 2012	18 April 2016	18 April 2019
Grzegorz Trawiński	1970	Member of the Management Board	1 April 2015	18 April 2016	18 April 2019
Andrzej Kulik	1963	Member of the Management Board	21 September 2017	21 September 2017	18 April 2019

”

In the description of the Management Board on page 80 of the Base Prospectus, the following description of the new member of the Management Board shall be added after the bio of Grzegorz Trawiński and before the description of the Cover Pool Monitor:

“Andrzej Kulik

Andrzej Kulik joined the Management Board of the Bank in September 2017 responsible for supervising risk management – approved by Polish Financial Supervisory Authority as of 27 March 2018.

His career in finance started in 1996 from being an equity trader. Shortly after that he switched to risk management and worked in this role for various financial institutions. In 2004 he joined mBank. Between 2011 and 2017 he was Chief Audit Executive of the mBank Group. In 2002 he was one of the founders of Professional Risk Manager’s International Association and served as a board member of this international organization for two terms.

He holds Ph.D. from experimental physics from the University of Amsterdam (The Netherlands). Likewise he is a holder of the right to use the Chartered Financial Analyst designation and Professional Risk Manager designation.”

Supervisory Board

The table on page 81 of the Base Prospectus shall be replaced with the table below:

”

Name	Year of birth	Position	Commencement of membership	Commencement of current term	Date of expiration of the current term
Frank Bock		Chairman of the Supervisory Board	29 May 2017	29 May 2017	19 April 2019
Lidia Jabłonowska-Luba	1963	Vice-chairman of the Supervisory Board	30 October 2013	19 April 2016	19 April 2019
Cezary Kocik	1971	Member of the Supervisory Board	25 April 2012	19 April 2016	19 April 2019
Michał Popiołek	1972	Member of the Supervisory Board	25 April 2012	19 April 2016	19 April 2019
Mariusz Tokarski	1954	Member of the Supervisory Board	3 July 2014	19 April 2016	19 April 2019
Jakub Fast	1980	Member of the Supervisory Board	8 February 2017	8 February 2017	19 April 2019
Andreas Boeger		Member of the Supervisory Board	14 July 2017	14 July 2017	19 April 2019
Paweł Graniewski	1956	Member of the Supervisory Board	14 July 2017	14 July 2017	19 April 2019

”

Address

Address of the registered office of the Bank (i.e. "Al. Armii Ludowej 26"), as disclosed on the front page, important notice page and pages 28, 39, 45, 68, 79 and the back page of the Base Prospectus shall be replaced with the following: "ul. Lecha Kaczyńskiego 26".

General Information - Significant or Material Change

The sentence included in subsection "General Information - Significant or Material Change" on page 107 of the Base Prospectus shall be replaced with the following: "There has been no significant change in the financial position of the Bank since 31 December 2017 and there has been no material adverse change in the financial position or prospects of the Bank since 31 December 2017."