



(a joint-stock company with its registered office in Warsaw, at Al. Armii Ludowej 26, 00-609 Warsaw, registered in the Business Register of the National Court Register under entry No. KRS 0000003753)

Supplement 4
approved by the Polish Financial Supervision Authority on 9th August 2017,
to the Base Prospectus of mBank Hipoteczny S.A.
approved by the Polish Financial Supervision Authority
on 26th August 2016
(the “Prospectus”)

This supplement No. 4 (“Supplement No. 4”) to the Base Prospectus of mBank Hipoteczny S.A. has been prepared in connection with the publication by the Issuer on 4th August 2017 of the condensed financial statements for the first half of 2017 and must be read in conjunction with the Prospectus.

Supplement No. 4 has been drawn up to update the Prospectus with historical financial information for the first half of 2017 and information on trends prevailing in the period from 1st July 2017 to 31st July 2017.

In the opinion of the Issuer's Management Board, in the first half of 2017 there were no changes in the Bank's financial condition which would be materially inconsistent with the trends in the financial condition of mBank Hipoteczny S.A. and the related information presented in the Prospectus. The Issuer's Management Board believes that the financial information contained in the condensed financial statements for the period from 1st January 2017 to 30th June 2017 have no material bearing on the assessment of mBank Hipoteczny S.A.

Based on this Supplement No. 4, the Issuer's condensed financial statements for the first half of 2017 (the “Condensed Financial Statements for the First Half of 2017”), published on 4th August 2017 and available on the Issuer's website at www.mhipoteczny.pl/relacje-inwestorskie/raporty-okresowe, are included in the Prospectus by reference.

All terms which are capitalized in this document are defined in the Prospectus in the *Definitions and Abbreviations* section.

Therefore, in view of the foregoing, the Prospectus of mBank Hipoteczny S.A. is hereby amended as follows:

Amendment 1: pages 8-10, Chapter I, Element B.12

The following new table is added under the “Selected financial data of the Issuer (PLN '000)” table:

	30 Jun 2017	31 Dec 2016	31 Dec 2015
ASSETS			
Cash and balances with the central bank	46,753	5,530	7,521
Amounts due from other banks	9,927	16,262	205,180
Derivative financial instruments	40,568	45,160	32,212
Loans and advances to clients	10,173,290	9,411,505	7,391,743
Investment securities available for sale	1,025,279	1,134,049	748,505
Intangible assets	18,343	13,357	8,152
Tangible fixed assets	8,253	7,603	7,523

Deferred income tax assets	5,761	8,644	7,213
Current income tax assets	0	0	1,597
Other assets, including:	7,059	7,389	9,479
- inventories	3,432	3,432	6,768
Total assets	11,335,233	10,649,499	8,419,125

	30 Jun 2017	31 Dec 2016	31 Dec 2015
EQUITY AND LIABILITIES			
Amounts due to other banks	3,881,459	3,316,817	2,959,741
Derivative financial instruments	7,006	9,635	3,770
Amounts due to clients	11,141	36,394	265,509
Debt securities in issue	6,158,931	6,152,771	4,186,432
Subordinated liabilities	200,428	200,484	200,899
Current income tax liability	3,707	2,791	0
Other liabilities and provisions	36,010	26,908	20,438
Total liabilities	10,298,682	9,745,800	7,636,789
Equity			
Share capital	734,719	614,792	514,856
- Registered share capital	321,000	309,000	299,000
- Share premium	413,719	305,792	215,856
Retained earnings	300,309	290,053	266,631
- Profit from the previous years	290,053	266,631	247,840
- Profit for the current year	10,256	23,422	18,791
Other components of equity	1,523	-1,146	849
Total equity	1,036,551	903,699	782,336
Total liabilities and equity	11,335,233	10,649,499	8,419,125

Source: Issuer's financial statements

The following new table is added under the "Off-balance sheet items (PLN '000)" table:

Contingent liabilities and commitments granted and received	30 Jun 2017	31 Dec 2016	31 Dec 2015
Financial commitments assumed	1,440,820	1,283,422	990,932
Interest-rate derivatives	2,564,396	1,821,856	1,456,852
Foreign exchange derivatives	1,782,490	1,732,817	1,223,730
Financial commitments received	680,352	731,753	170,767
Total off-balance sheet items	6,468,058	5,569,848	3,842,281

Source: Issuer's financial statements

The following new table is added under the "Selected data of income statement (PLN '000)" table:

	30 Jun 2017	Jun 30 2016	31 Dec 2016	31 Dec 2015
Interest income	180,904	147,875	318,648	256,317
Interest expense	-108,679	-87,785	-188,507	-145,555
Net interest income	72,225	60,090	130,141	110,762
Fee and commission income	899	3,558	6,722	12,636
Fee and commission expense	-4,018	-2,191	-5,196	-6,107
Net fee and commission income	-3,119	1,367	1,526	6,529
Net trading income, including:	-3,425	2,024	1,736	-434
<i>Foreign exchange, net</i>	-3,098	2,323	4,240	2,036
<i>Other trading income and result on hedge accounting</i>	-327	-299	-2,504	-2,470
Net gain/(loss) on investment securities	-	-	5	-
Other income	499	1,813	3,116	763
Net impairment write-downs on loans and advances	-1,742	-10,351	-21,588	-24,775
Overhead costs	-34,118	-31,191	-62,472	-57,876
Amortisation and depreciation	-1,563	-1,645	-3,197	-4,699
Other expenses	-538	-2,272	-2,403	-3,473
Operating result	28,219	19,835	46,864	26,797
Tax on the Bank's on-balance-sheet items	-11,220	-6,448	-	-
Pre-tax profit	16,999	13,387	30,179	26,797
Income tax	-6,743	379	-6,757	-8,006
Net profit	10,256	13,766	23,422	18,791

Source: Issuer's financial statements

The following is added under the existing text below the "Selected data of income statement (PLN '000)" table:

Since the date of issue of the Issuer's reviewed condensed financial statements for the first half of 2017, there have been no adverse changes which would affect the Issuer's prospects.

Except as specified below, from 30th June 2017 to the Supplement Date, there were no material changes in the financial or business condition of the Issuer:

- On 6th July 2017 the Luxembourg Financial Supervisory Authority (*Commission de Surveillance du Secteur Financier*, CSSF) approved a new base prospectus related to the placing on the Luxembourg Stock Exchange of covered bonds issued under a EUR 3 billion International Covered Bond Programme;
- Execution of two agreements with Commerzbank AG in connection with the planned issue of covered bonds on international markets: a process agent appointment letter for the Covered Bond Programme of 4th July 2017; and a multilateral covered bond programme agreement of 6th July 2017 with Commerzbank AG as the organizer and one of the five dealers under the Programme;
- Execution on 6th July 2017 of two agreements for transfer of mortgage-backed commercial loans from mBank S.A. to mBank Hipoteczny S.A. for EUR 8,488 thousand, and EUR PLN 12,791 thousand;
- Change in amounts due to mBank S.A. – on 14th July 2017 and 20th July 2017 the Issuer drew further amounts under facilities contracted with mBank S.A.: PLN 150,000 thousand repayable on 13th September 2024, and PLN 150,000 thousand repayable on March 22nd 2023;
- Resignation of Mr Christopher Heins as member of the Supervisory Board, with effect as of 12th July 2017;

- On 14th July 2017, the Extraordinary General Meeting of mBank Hipoteczny S.A. appointed Messers Andreas Boeger and Paweł Graniewski as members of the Supervisory Board of the tenth term of office.

Amendment 2: page 11, Chapter I, Element B.13 and page 42, Chapter VI, Section 1.5

The following text is added after the existing text:

On 23rd June 2017, Fitch Ratings Ltd. confirmed it's A rating with positive outlook assigned to the covered bonds, citing improvement in the risk profile of the collateral register and an increase in overcollateralisation.

Amendment 3: page 18, Chapter II, Section 1.1.1

After the existing text of the paragraph beginning "As on 31st December 2016 no limit resulting from the Covered Bond Act (...)", the following text is added:

As at 30th June 2017, none of the limits provided for in the Covered Bond Act or the CRR was exceeded. In the first half 2017, the limit on liabilities imposed under Art. 15.2 of the Covered Bond Act was not exceeded.

Amendment 4: page 21, Chapter II, Section 1.1.3 a)

After the existing text of the paragraph beginning "The Issuer monitors all liquidity norms (...)", the following new sentence is added:

None of the liquidity norms were exceeded either in 2016 or in the first half of 2017.

Amendment 5: page 22, Chapter II, Section 1.1.3 c)

After the second sentence of the paragraph beginning "The Issuer manages the interest rate gap by matching dates of assets and liabilities revaluation (...)", the following text is added:

As at the end of June 2017, Earnings at Risk (EaR) reached a safe level of 3.50%.

Amendment 6: page 25, Chapter II, Section 1.2.2

After the existing text of the second paragraph, beginning with "The Bank's own funds as at 31st December 2016 amounted to PLN 954,070 thousand (...)", the following new paragraph is added:

The Bank's own funds as at 30th June 2017 were PLN 1,103,762 thousand (30th June 2016: PLN 861,901 thousand). The limit of exposure towards one entity or group of related entities amounts to 25% of the value of recognized equity of the Bank pursuant to CRR Regulation, therefore it cannot exceed PLN 275,940 thousand in the case of the Issuer.

Amendment 7: page 38, Chapter V, Section 2

Before the paragraph beginning with "The Issuer's financial statements for 2016 have been audited (...)", the following new sentence is added:

The interim financial statements for the first half of 2017 have been reviewed, and the review report was not negative and contained no qualifications.

Amendment 8: page 43, Chapter VII, Section 1.2

Before the paragraph beginning with "The following financial data are compiled on the basis of the audited financial statements for the financial year ended on 31st December 2016 prepared in accordance with IFRS as endorsed by the European Union (...)", the following new sentence is added:

The financial information presented below is based on reviewed condensed financial statements for the first half of 2017, prepared in accordance with International Financial Reporting Standards as endorsed by the EU, and in

particular with IAS 34 *Interim Financial Reporting*, including comparative data for the first half of 2016 and for 2016.

Amendment 9: pages 43-44, Chapter VII, Section 1.2

The following new table is added under Table 1b:

Table 1c Selected financial data of the Issuer (PLN '000)

	30 Jun 2017	31 Dec 2016	31 Dec 2015
ASSETS			
Cash and balances with the central bank	46,753	5,530	7,521
Amounts due from other banks	9,927	16,262	205,180
Derivative financial instruments	40,568	45,160	32,212
Loans and advances to clients	10,173,290	9,411,505	7,391,743
Investment securities available for sale	1,025,279	1,134,049	748,505
Intangible assets	18,343	13,357	8,152
Tangible fixed assets	8,253	7,603	7,523
Current income tax assets	-	-	1,597
Deferred income tax assets	5,761	8,644	7,213
Other assets, including:	7,059	7,389	9,479
- inventories	3,432	3,432	6,768
Total assets	11,335,233	10,649,499	8,419,125

Source: Issuer's financial statements

Amendment 10: page 44, Chapter VII, Section 1.2

The following new table is added under Table 2b:

Table 2c Selected financial data of the Issuer (PLN '000)

	30 Jun 2017	31 Dec 2016	31 Dec 2015
EQUITY AND LIABILITIES			
Amounts due to other banks	3,881,459	3,316,817	2,959,741
Derivative financial instruments	7,006	9,635	3,770
Amounts due to clients	11,141	36,394	265,509
Debt securities in issue	6,158,931	6,152,771	4,186,432
Subordinated liabilities	200,428	200,484	200,899
Current income tax liability	3,707	2,791	-
Other liabilities and provisions	36,010	26,908	20,438
Total liabilities	10,298,682	9,745,800	7,636,789
Equity			
Share capital	734,719	614,792	514,856
- Registered share capital	321,000	309,000	299,000
- Share premium	413,719	305,792	215,856
Retained earnings	300,309	290,053	266,631
- Profit from the previous years	290,053	266,631	247,840
- Profit for the current year	10,256	23,422	18,791
Other components of equity	1,523	-1,146	849
Total equity	1,036,551	903,699	782,336

Total liabilities and equity	11,335,233	10,649,499	8,419,125
-------------------------------------	-------------------	-------------------	------------------

Source: Issuer's financial statements

Amendment 11: pages 44-45, Chapter VII, Section 1.2

Under the existing text below Table 2b, beginning with "The Bank's balance sheet total (...)," the following new text is added:

As at the end of June 2017, the Bank's balance-sheet total was PLN 11,335,233 thousand, having increased by PLN 685,734 thousand on the end of 2016. Loans to non-financial sector were the largest item of assets, representing 89.75% of total assets.

As at the end of June 2017, the Bank's loan portfolio totalled PLN 11,602,254 thousand (on-balance-sheet and off-balance-sheet exposure), 8.62% above the level reported at the end of 2016. As at 30th June 2017, 47.73% of loans granted to non-financial sector (gross) were loans to corporate clients, and 52.17% – loans to retail clients and the public sector.

In the first half of 2017, the increase in the total loan portfolio (by PLN 920,828 thousand relative to 31st December 2016) was financed mostly with the issue of debt securities (the related liabilities rose by PLN 564,642 thousand).

Debt securities in issue, comprising covered bonds and bonds, were the main item of the Issuer's liabilities, accounting for 54.33% of the balance-sheet total as at 30th June 2017 (31st December 2016: 57.78%), followed by amounts due to other banks, which represented 34.24% of the balance-sheet total as at 30th June 2017 (31st December 2016: 31.15%). Amounts due to clients accounted for 0.10% of the balance-sheet total as at 30th June 2017 (compared with 0.34% as at 31st December 2016).

Amendment 12: page 45, Chapter VII, Section 1.2

A new table is added under Table 3b:

Table 3c Off-balance-sheet items (PLN '000)

Contingent liabilities and commitments granted and received	30 Jun 2017	31 Dec 2016	31 Dec 2015
Financial commitments assumed	1,440,820	1,283,422	990,932
Interest-rate derivatives	2,564,396	1,821,856	1,456,852
Foreign exchange derivatives	1,782,490	1,732,817	1,223,730
Financial commitments received	680,352	731,753	170,767
Total off-balance sheet items	6,468,058	5,569,848	3,842,281

Source: Issuer's financial statements

Amendment 13: page 45, Chapter VII, Section 1.2

The following new table is added under Table 4b:

Table 4c Selected data of income statement (PLN '000)

	30 Jun 2017	Jun 30 2016	31 Dec 2016	31 Dec 2015
Interest income	180,904	147,875	318,648	256,317
Interest expense	-108,679	-87,785	-188,507	-145,555
Net interest income	72,225	60,090	130,141	110,762
Fee and commission income	899	3,558	6,722	12,636
Fee and commission expense	-4,018	-2,191	-5,196	-6,107
Net fee and commission income	-3,119	1,367	1,526	6,529
Net trading income, including:	-3,425	2,024	1,736	-434
<i>Foreign exchange, net</i>	-3,098	2,323	4,240	2,036
<i>Other trading income and result on hedge accounting</i>	-327	-299	-2,504	-2,470
Net gain/(loss) on investment securities	-	-	5	-
Other income	499	1,813	3,116	763
Net impairment write-downs on loans and advances	-1,742	-10,351	-21,588	-24,775
Overhead costs	-34,118	-31,191	-62,472	-57,876
Amortisation and depreciation	-1,563	-1,645	-3,197	-4,699
Other expenses	-538	-2,272	-2,403	-3,473
Operating result	28,219	19,835	46,864	26,797
Tax on the Bank's on-balance-sheet items	-11,220	-6,448	-16,685	-
Pre-tax profit	16,999	13,387	30,179	26,797
Income tax	-6,743	379	-6,757	-8,006
Net profit	10,256	13,766	23,422	18,791

Source: Issuer's financial statements

Amendment 14: pages 45-46, Chapter VII, Section 1.2

Under the existing text below Table 4b, beginning with "The main item of the Bank's income was interest on banking transactions. (...)", the following text is added:

In the first half of 2017, profit before income tax amounted to PLN 16,999 thousand, having increased by PLN 3,612 thousand on the first half of 2016.

As in 2016, in the first half of 2017 the Bank's financial results were strongly affected by low interest rates and strong pressures on margins. Nonetheless, as at 30th June 2017, the Bank saw its core business figures grow compared with a year earlier. Net interest income as at the end of June 2017 rose by PLN 12,135 thousand, i.e. 20.19%, relative to 30th June 2016. On the other hand, the net fee and commission income was down by PLN 4,486 thousand. Furthermore, the Bank' net trading income (foreign exchange, net and other trading income and result on hedge accounting) for the first half of 2017 was PLN -3,425 thousand, and was significantly lower than in the first half of 2016 when it amounted to PLN 2,024 thousand.

Improved profit before income tax (up by 26.98% in the first half of 2017 compared with the first half of 2016) was primarily attributable to much lower net impairment write-downs on loans and advances (down 83.17% year on year). On the other hand, the result on trading activity was over 2.5 times lower year on year. In the first half of 2017, the Issuer also saw decrease in its other income, to PLN 499 thousand, compared with PLN 1,813 thousand

in the first half of 2016 (down 72.48%). Profit before income tax for the first half of 2017 was high, despite a 9.38% year-on-year increase in overhead costs, and a 74.01% year-on-year increase in tax on bank assets. The increase in overhead costs in the first half of 2017, by PLN 2,927 thousand, came as a result of recognition in the profit and loss account of the full amount of annual costs related to the 2017 contribution to the obligatory restructuring fund, pursuant to the Act of 10th June 2016 on the Bank Guarantee Fund (BFG), in connection with a letter from the BGF of 19th January 2017 addressed to the Polish Banks Association and in connection with a letter from the BGF of 20th April 2017 on the amount of the Bank's contribution to the obligatory restructuring fund for 2017. The costs related to the contribution to the restructuring fund for 2017 were PLN 5,152 thousand, which represented a 221.4% increase on the corresponding period of 2016, when the contributions to the Bank Guarantee Fund were paid on a straight-line basis. The tax on bank assets, levied in accordance with the Act on tax on certain financial institutions of 15th January 2016 also had a material effect on the Bank's pre-tax profit. The tax expense recognised in the first half of 2017 was PLN 11,220 thousand, compared with PLN 6,448 thousand paid in the six months to June 2016.

Net profit for the first half of 2017 was PLN 10,256 thousand, which was PLN 3,510 less than in the first half of 2016.

In the first half of 2017, due to a 25.50% year-on-year decrease in net profit, the Bank recorded similar or lower profitability ratios calculated as the ratio of net profit or profit before income tax to a relevant financial item.

As at 30th June 2017, book value per share rose to PLN 322.91, compared with PLN 289.64 as at 30th June 2016. Earnings per share for the first half of 2017 fell to PLN 3.23, from PLN 4.60 for the first half of 2016.

Amendment 15: page 46, Chapter VII, Section 1.2

The following new table is added under Table 5b:

Table 5c Issuer's performance indicators

	30 Jun 2017	31 Dec 2016	31 Dec 2015
Return on assets gross (ROA gross)	0.31%	0.31%	0.37%
Return on equity gross (ROE gross)	3.47%	3.62%	3.91%
Cost to income ratio (C/I)	54.36%	48.96%	54.82%
Net interest margin	1.34%	1.37%	1.55%
Cost of risk	0.04%	0.26%	0.39%
Capital adequacy ratio	15.82%	14.54%	13.81%

Source: Issuer

Amendment 16: page 46, Chapter VII, Section 1.2

The following new sentence is added under Table 5c:

The Issuer's performance indicators (identified as Alternative Performance Measures in accordance with the ESMA Guidelines effective from 3rd July 2016) relating to the Condensed Financial Statements for the First Half of 2017 and the Directors' Report on the Bank's operations in the first half of 2017, published on the Issuer's website at www.mhipoteczny.pl/relacje-inwestorskie/raporty-okresowe

Amendment 17: pages 46-47, Chapter VII, Section 1.2

The following new table is added before the table entitled "Methods (definitions) of calculation of performance indicators and justification for the use of performance indicator":

<i>Performance indicator</i>	<i>Definitions</i>	<i>Calculation methodology</i>	<i>Justification for the use of the indicator (reasons for the use of specific Alternative Performance Measure)</i>

Return on assets gross (ROA gross)	ROA gross = gross profit / average assets	<p>Average assets (as at 30th June 2017) - calculated as the sum of the value of assets as at 31st December 2016, and as at the last day of each month in the period from 1st January 2017 to 30th June 2017 / 7 months</p> <p>Average assets (as at 31st December 2016) - calculated as the sum of the value of assets as at 31st December 2015, and as at the last day of each month in the period from 1st January 2016 to 31st December 2016 / 13 months</p> <p>Average assets (as at 31st December 2016) - calculated as the sum of the value of assets as at 31st December 2014, and as at the last day of each month in the period from 1st January 2015 to 31st December 2015 / 13 months</p>	Basic indicator of the bank's effectiveness. Changes in the value of the indicator in time illustrate trends in the capacity of assets to generate income. Commonly used for comparative analysis of the competition. The indicator is also presented in the periodic Directors' Reports.
Return on equity gross (ROE gross)	ROE gross = gross profit / average equity	<p>Average equity (as at 30th June 2017) - calculated as the sum of the value of equity as at 31st December 2016, and as at the last day of each month in the period from 1st January 2017 to 30th June 2017 / 7 months</p> <p>Average equity (as at 31st December 2016) - calculated as the sum of the value of equity as at 31st December 2015, and as at the last day of each month in the period from 1st January 2016 to 31st December 2016 / 13 months</p> <p>Average equity (as at 31st December 2015) - calculated as the sum of the value of equity as at 31st December 2014, and as at the last day of each month in the period from 1st January 2015 to 31st December 2015 / 13 months</p>	Basic indicator of the bank's effectiveness. Changes in the value of the indicator in time illustrate the trends in the rate of return on capital invested by the shareholders. Commonly used for comparative analysis of the competition. The indicator is also presented in the periodic Directors' Reports.
Cost to income ratio (C/I)	C/I (Cost to income ratio) = (overhead costs + amortisation and depreciation) / total income	Total income = net interest income + net fee and commission income + net trading income + other income - other expenses	Basic indicator of the cost effectiveness. Changes in the value of the indicator in time illustrate trends in the amount of costs incurred in relation to income earned, and allow a comparison of different banks in terms of cost effectiveness. The indicator is also presented in the periodic Directors' Reports.
Net interest margin	Net interest margin = net interest income / average interest-earning assets	<p>Average interest-earning assets (as at 30th June 2017) - calculated as the sum of the value of interest-earning assets as at 31st December 2016, and as at the last day of each month in the period from 1st January 2017 to 30th June 2017 / 7 months</p> <p>Average interest-earning assets (as at 31st December 2016) - calculated as the sum of the value of interest-earning assets as at 31st December 2015, and as at the last day of each month in the period from 1st January 2016 to 31st December 2016 / 13 months</p> <p>Average interest-earning assets (as at 31st December 2015) - calculated as the sum of the value of interest-earning assets as at 31st December 2014, and as at the last day of each month in the period from 1st January 2015 to 31st December 2015 / 13 months</p>	Basic indicator to assess effectiveness of the bank's operations at the net interest income level, which is of key importance due to the mortgage bank business profile. The indicator is also presented in the periodic Directors' Reports.
Cost of risk	Cost of risk = net impairment write-downs on loans and advances / average balance of loans and advances to clients	<p>Average loans and advances to clients (as at 30th June 2017) - calculated as the sum of the value of loans and advances to clients as at 31st December 2016, and as at the end of each month in the period from 1st January 2017 to 30th June 2017 / 7 months</p> <p>Average loans and advances to clients (as at 31st December 2016) - calculated as the sum of the value of loans and advances to clients as at 31st December 2015, and as at the end of each month in the period from 1st January 2016 to 31st December 2016 / 13 months</p> <p>Average loans and advances to clients (as at 31st December 2015) - calculated as the sum of the value of loans and advances to clients as at 31st December 2014, and as at the end of each month</p>	Basic indicator illustrating the level of impairment write-downs; given the mortgage bank business profile, it is the second, next to net interest income, key driver of the bank's overall result. The indicator is also presented in the periodic Directors' Reports.

		in the period from 1st January 2015 to 31st December 2015 / 13 months	
Capital adequacy ratio	Capital adequacy ratio = own funds / total risk exposure amount)	<p>The total risk exposure calculated as at 30th June 2017 is the sum of: (i) risk weighted exposures for credit risk, established based on the IRB approach and with the use of supervisory slotting approach to assign specialized lending exposures to risk categories (ii) the operational risk requirement multiplied by 12.5, (iii) risk weighted exposures in relation to counterparty risk with respect to derivatives.</p> <p>The total risk exposure calculated as at 31st December 2016 is the sum of: (i) risk weighted exposures for credit risk, established based on the IRB approach and with the use of supervisory slotting approach to assign specialized lending exposures to risk categories (ii) the operational risk requirement multiplied by 12.5, (iii) risk weighted exposures in relation to counterparty risk with respect to derivatives.</p> <p>The total risk exposure calculated as at 31st December 2015 is the sum of: (i) risk weighted exposures for credit risk, established based on the IRB approach and with the use of supervisory slotting approach to assign specialized lending exposures to risk categories (ii) the operational risk requirement multiplied by 12.5, (iii) risk weighted exposures in relation to counterparty risk with respect to derivatives.</p>	Basic regulatory indicator. The indicator is also presented in the periodic Directors' Reports.

Amendment 18: page 48, Chapter VII, Section 1.2

After the paragraph beginning with “Specified by the Issuer performance indicators which are Alternative performance measurements provide (...)”, before the sentence beginning with Capital adequacy ratio at 31st December 2016 amounted to (...)”, the following new sentence is added:

Capital adequacy ratio as at 30th June 2017 was 15.82% (31 December 2016: 14.54%).

Amendment 19: page 48, Chapter VII, Section 1.2

Before the paragraph beginning with “At 31st December 2016 the share of the impaired loan in the Bank's total portfolio (...)”, the following text is added:

As at 30th June 2017, the share of the impaired portfolio in the Bank's total portfolio decreased to 2.85%, from 3.29% as at the end of 2016. The share of unimpaired overdue loans fell to 1.24% as at the end of the first half of 2017 (loan portfolio quality measured as unimpaired loans to total gross value of loans and advances to clients), compared with 2.24% as at the end of 2016.

After the paragraph beginning “At 31st December 2016 the share of the impaired portfolio in the Bank's total portfolio (...)”, the following two new paragraphs are added:

Thanks to the measures taken by the Issuer to manage problem loans and following expansion of the loan portfolio, the share of non-performing loans as at the end June 2017 fell to 3.25% of the Bank's total loan portfolio (compared with 3.89% as at the end of 2016), with non-performing commercial loans and non-performing retail loans accounting for 6.67% and 0.08% of the portfolio, respectively. As at the end of December 2016, non-performing commercial loans and non-performing retail loans accounted for 7.18% and 0.08%, respectively, of the Bank's total loan portfolio.

The measures taken by the Issuer help to maintain the cost of risk, a material indicator monitored by the Bank, at a very good level: as at 30th June 2017 the cost of risk was 0.30% for commercial loans and 0.03% for retail loans (compared with 0.49% and 0.04% as at the end of December 2016).

Amendment 20: page 48, Chapter VII, Section 1.3

The following text is inserted at the beginning of the paragraph beginning with “The volume of the loan portfolio (including off-balance sheet items) at the end of 2016 (...)”:

At the end of June 2017, the loan portfolio volume (including off-balance-sheet items) grew by PLN 920,828 thousand relative to the end of 2016. Total on- and off-balance-sheet exposure (commercial loans, housing loans, loans granted to local government units) reached PLN 11,602,254 thousand as at the end of the first half of 2017, and the value of loans granted in the first half of 2017 was PLN 1,736,661 thousand.

The following text is added at the beginning of the paragraph beginning with “Commercial loans at the end of December 2016 accounted for 59.73% (...)”:

Commercial loans at the end of June 2017 accounted for 47.73% of the Bank's total loan portfolio. In terms of currency, PLN-denominated loans had a dominant share in the total portfolio, followed by EUR-denominated loans. As at the end of the first half of 2017 loans in PLN accounted for 69.60% of the total loan portfolio, while the foreign currency loans accounted for 30.40% of the total loan portfolio value (Table 7c).

Amendment 21: pages 48-49, Chapter VII, Section 1.3

The following new table is added under Table 6b:

Table 6c The Bank's total loan portfolio by product groups (PLN '000)*

Product		30 Jun 2017	31 Dec 2016	Change (%) 30 Jun 2017/ 31 Dec 2016
Commercial loans	<i>On-balance-sheet exposure</i>	4,464,693	4,710,560	-5.22%
	<i>Off-balance-sheet exposure</i>	1,073,613	1,049,123	2.33%
	Total exposure	5,538,306	5,759,683	-3.84%
Housing loans	<i>On-balance-sheet exposure**</i>	5,389,829	4,371,412	23.30%
	<i>Off-balance-sheet exposure</i>	355,351	220,798	60.94%
	Total exposure	5,745,180	4,592,210	25.11%
Loans granted to local government units	<i>On-balance-sheet exposure</i>	308,197	321,826	-4.23%
	<i>Off-balance-sheet exposure</i>	0	0	0.00%
	Total exposure	308,197	321,826	-4.23%
Total	<i>On-balance-sheet exposure***</i>	10,173,290	9,411,505	8.09%
	<i>Off-balance-sheet exposure</i>	1,428,964	1,269,921	12.52%
	Total exposure	11,602,254	10,681,426	8.62%

Source: Issuer

*Unaudited and unreviewed operating and financial data sourced from the Issuer's management accounts. The above data relate to the portfolio value including loan interest, net of impairment write-downs.

***Housing loans includes other amounts due from non-financial sector, which stood at PLN 5,359.7 thousand as at 30th June 2017 and at PLN 4,373.4 thousand as at 31st December 2016.

**In addition to commercial loans, housing loans and loans granted to local government units, the Bank's loan portfolio includes a security deposit of PLN 7,706.1 thousand as 31st December 2016 and PLN 10,570.6 thousand as at 30th June 2017.

Amendment 22: page 49, Chapter VII, Section 1.3

The following new table is added under Table 7b:

Table 7c Currency structure of the total loan portfolio by main product groups*

Product	30 Jun 2017			31 Dec 2016		
	PLN	EUR	USD	PLN	EUR	USD
Commercial loans	36.75%	62.07%	1.18%	35.26%	63.40%	1.34%
Housing loans**	99.68%	0.27%	0.05%	99.54%	0.37%	0.09%
Loans granted to local government units	100.00%	0.00%	0.00%	100.00%	0.00%	0.00%
Total loan portfolio (on-balance-sheet and off-balance-sheet exposure)***	69.62%	29.79%	0.59%	64.87%	34.37%	0.76%

Source: Issuer

*Unaudited and unreviewed operating and financial data sourced from the Issuer's management accounts.

**Housing loans includes other amounts due from non-financial sector, which stood at PLN 5,359.7 thousand as at 30th June 2017 and at PLN 4,373.4 thousand as at 31st December 2016.

***Total loan portfolio does not include a security deposit of PLN 10,570.6 thousand as at 30th June 2017 and at PLN 7,706.1 thousand as at 31st December 2016.

Amendment 23: page 49, Chapter VII, Section 1.3

The following new table is added under Table 8b:

Table 8c Sale of loans – value and number of signed loan agreements – by product groups including pooling transactions (Pooling Model) (PLN '000)*

Product	01.01.2017-30.06.2017		01.01.2016-30.06.2016	
	value	number	value	number
Commercial loans	409,426	20	1,279,739	31
including:				
- construction projects	0	0	420,602	7
- real estate refinancing	125,828	10	520,800	14
- loans to residential developers	283,598	10	338,337	10
Housing loans (retail – Agency Model and Pooling Model)	1,327,235	4,180	976,772	3,420
Loans granted to local government units	0	0	0	0
Total	1,736,661	4,200	2,256,511	3,451

Source: Issuer

*Unaudited and unreviewed operating and financial data sourced from the Issuer's management accounts.

Amendment 24: page 51, Chapter VII, Section 1.3.1

Before the paragraph beginning with “The total portfolio of commercial loans at the end of 2016 (...)”, the following new sentence is added:

The total commercial loan portfolio (on-balance-sheet and off-balance-sheet exposure) increased relative to the end of 2016, to PLN 5,538,306 thousand as at the end of the first half of 2017.

Before the paragraph starting with “In 2016 in the area of commercial real estate Bank financed (...)”, the following new sentence is added:

In the first half of 2017, in the area of commercial real estate, the Bank financed primarily office buildings and commercial facilities.

Before the paragraph beginning with “In 2016, the average loan repayment period was 10.3 years. (...)”, the following is added:

In the first half of 2017, the average loan repayment period was 8.5 years. Loans bearing interest at variable rates prevailed in the portfolio. Foreign currency loans had the largest share in the total commercial loan portfolio – 63.25% as at the end of June 2017.

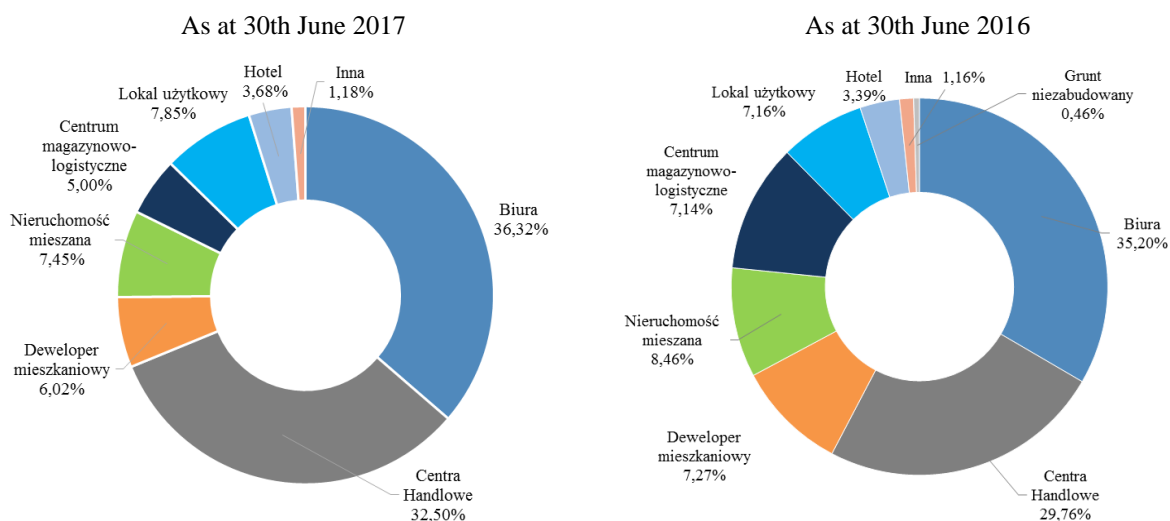
The following text is inserted at the beginning of the paragraph beginning with “In the corporate loan portfolio (...)”:

At the end of June 2017, office properties, accounting for 36.32% of the commercial loan portfolio, had the largest share in the portfolio of loans for corporate clients (up by 1.12pp from the end of 2016). Loans granted to finance shopping centre projects accounted for 32.50% of the portfolio as at the end of June 2017 (up by 2.74pp compared with 30th June 2016). As at the end of June 2017, the share of commercial premises rose (7.85% as at 30th June 2017 compared with 7.16% as at 30th June 2016). Warehousing and logistics centres accounted for 5.00% of the commercial loan portfolio in the first half of 2017 (down by 2.14pp year on year). In addition, the share of loans financing residential developers fell by 1.25pp (from 7.27% as at the end of June 2016 to 6.02% as at the end of June 2017) and the share of loans financing mixed use real estate decreased by 1.01pp (from 8.46% in the first half of 2016 to 7.45% in the first half of 2017).

Amendment 25: page 52, Chapter VII, Section 1.3.1

The following new graph is added under Graph 1b:

Graph 1b Loans to economic entities by type of financed property as at 30th June 2017 and 30th June 2016*



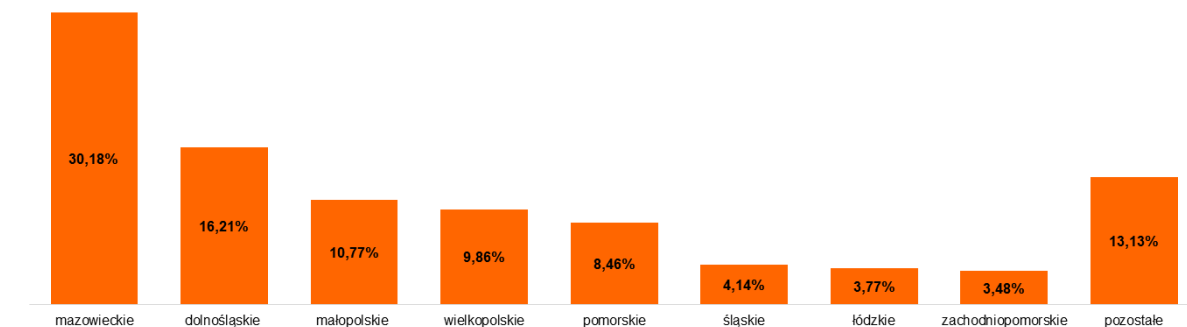
Source: Issuer

*Unaudited operating and financial data sourced from the Issuer’s management accounts.

Amendment 26: page 52, Chapter VII, Section 1.3.1

The following new graph is added under Graph 2b:

Graph 2c Commercial loans – geographical breakdown as at 30th June 2017*



Source: Issuer

*Unaudited operating and financial data sourced from the Issuer's management accounts.

Amendment 27: page 52, Chapter VII, Section 1.3.1

Before the sentence “In line with the concentration limits, as at 31st December 2016 the financing of any single entity or a group of entities with equity or organisational links did not exceed 25% of the Bank’s equity, i.e. PLN 238,518 thousand.”, the following text is added:

In line with the concentration limits, as at 30th June 2017 the financing of any single entity or a group of entities with equity or organisational links did not exceed 25% of the Bank’s equity, i.e. PLN 275,940 thousand.

In the first half of 2016, the Issuer brought one action to have a payment order for EUR 849.5 thousand issued against a borrower in connection with a commercial loan. The court issued the payment order, which became legally binding on 24th April 2017. In the second half of 2016, the Bank filed a bankruptcy petition relating to a commercial receivable of EUR 13,268.7 thousand. The borrower was declared bankrupt by the court on 8th March 2017. On 19th April 2017, the Bank filed an application with the Court for the opening of remedial proceedings with respect to one commercial client. The court has not yet issued a decision on the opening of the proceedings.

Amendment 28: page 53, Chapter VII, Section 1.3.1

After the paragraph beginning with “As part of the commercial pooling the Bank buys the receivables (...)”, the following text is added:

On 6th July 2017, the Issuer executed two commercial pooling transactions involving transfer of mortgage-backed commercial loans from mBank S.A. to mBank Hipoteczny S.A. for EUR 8,488 thousand, and EUR PLN 12,791 thousand.

Amendment 29: page 54, Chapter VII, Section 1.3.2

The following text is inserted at the end of the paragraph beginning with “The value of the housing loans portfolio increased by (...)”:

As at the end of June 2017, the value of the housing loan portfolio rose by 25.11% year on year, to PLN 5,745,180 thousand (on-balance-sheet and off-balance-sheet exposure).

The following new sentence is inserted at the end of the next paragraph beginning with “The Bank continues lending activity in the retail area, (...)”:

In the first half of 2017, the Issuer did not carry out any sales as part of pooling transactions (retail loans).

The following new sentence is inserted at the end of the next paragraph beginning with “The Bank continues lending activity in the retail area, (...)”:

In the first half of 2017, mBank S.A. decided to transfer the sale of retail loans from mBank Hipoteczny S.A. to mBank S.A. As of 22nd July 2017, all mortgage loans for individuals will be processed and granted by mBank S.A.

The following new sentence is inserted after the sentence beginning with “In 2016, as in 2015, the main channel for the sale of retail loans (...)”:

In the first half of 2017, as in 2016, the main retail loan sales channels included: the mFinanse financial product sales platform (56% of total sales), sales through a brokerage firm (35%), sales through the Financial Services Centre (6%), and sales through partner entities (3%).

Amendment 30: pages 54-55, Chapter VII, Section 1.3.3

In the second paragraph, before the sentence beginning with “Lack of new contracts in 2016 (...)”, the following new sentence is added:

With no new agreements signed in the first half of 2017 and large amounts of early repayments, the on-balance-sheet exposure attributable to these loans as at 30th June 2017 fell by 4.23% relative to 31st December 2016.

The following new sentence is inserted at the beginning of the paragraph starting with “At the end of 2016 value of the total balance sheet and off-balance sheet commitment (...)”:

As at the end of June 2017, total on-balance-sheet and off-balance-sheet exposure to the public sector was PLN 308,197 thousand and represented 2.66% of the total credit exposure. Loans with an average repayment term of 15.4 years accounted for the majority of the portfolio of loans granted to local government units.

Amendment 31: page 55, Chapter VII, Section 1.5

The following new sentence is inserted after the paragraph beginning with “As of the Prospectus Date, the value of all covered bonds of mBank Hipoteczny S.A. in trading (...)”:

As at 31st July 2017, the total value of all outstanding covered bonds issued by mBank Hipoteczny was in excess of PLN 4.2 billion which, according to the Bank’s estimates, represented 36% of all such securities in trading on the Polish market. In the first half of 2017 and in the period from 1st July to 31st July 2017, mBank Hipoteczny placed two issues of mortgage covered bonds on the market. The first one was a public offering of EUR 24.9 million (nominal value as at 31st July 2017 was ca. PLN 106 million), carried out in February 2017. The second one was a PLN 300 million private placement, carried out in May 2017.

Amendment 32: pages 55-56, Chapter VII, Section 1.5

The following new table is added under Table 9a:

Table 9b Mortgage covered bonds issued by mBank Hipoteczny S.A., traded on a regulated market (denominated in PLN) as at 31st July 2017

Issue date	Maturity Date	Series	Currency	Value (‘000)	Rating by Fitch Ratings Ltd.
15.06.2012	15.06.2018	HPA19	PLN	200.000	A
20.06.2013	21.06.2019	HPA21	PLN	80.000	A
28.07.2014	28.07.2022	HPA22	PLN	300.000	A
04.08.2014	20.02.2023	HPA23	PLN	200.000	A
20.02.2015	28.04.2022	HPA24	PLN	200.000	A
15.04.2015	16.10.2023	HPA25	PLN	250.000	A
17.09.2015	10.09.2020	HPA26	PLN	500.000	A
02.12.2015	20.09.2021	HPA27	PLN	255.000	A
09.03.2016	05.03.2021	HPA28	PLN	300.000	A
28.04.2016	28.04.2020	HPA29	PLN	50.000	A
11.05.2016	28.04.2020	HPA30	PLN	100.000	A

TOTAL	PLN	2.435.000
--------------	------------	------------------

Source: Issuer

Amendment 33: page 56, Chapter VII, Section 1.5

The following new table is added under Table 10a:

Table 10b Mortgage covered bonds issued by mBank Hipoteczny S.A., traded on a regulated market (denominated in EUR), as at 31st July 2017

Issue date	Maturity Date	Series	Currency	Value ('000)	Rating by Fitch Ratings Ltd.
19.10.2012	19.10.2017	HPE1	EUR	10.000	A
26.07.2013	28.07.2020	HPE2	EUR	30.000	A
22.11.2013	22.10.2018	HPE3	EUR	50.000	A
17.02.2014	15.02.2018	HPE4	EUR	7.500	A
28.02.2014	28.02.2029	HPE5	EUR	8.000	A
17.03.2014	15.03.2029	HPE6	EUR	15.000	A
30.05.2014	30.05.2029	HPE7	EUR	20.000	A
22.10.2014	22.10.2018	HPE8	EUR	20.000	A
28.11.2014	15.10.2019	HPE9	EUR	50.000	A
25.02.2015	25.02.2022	HPE10	EUR	20.000	A
24.04.2015	24.04.2025	HPE11	EUR	11.000	A
24.06.2015	24.06.2020	HPE12	EUR	50.000	A
23.03.2016	21.06.2021	HPE13	EUR	50.000	A
28.09.2016	20.09.2026	HPE14	EUR	13.000	A
26.10.2016	20.09.2026	HPE15	EUR	35.000	A
01.02.2017	01.02.2024	HPE16	EUR	24.900	A
TOTAL			EUR	414.400	

Source: Issuer

Amendment 34: page 57, Chapter VII, Section 1.5

The following new table is added under Table 10b:

Table 11 Mortgage covered bonds issued by mBank Hipoteczny S.A., traded on a regulated market (denominated in EUR thousand and PLN thousand) as at 31st July 2017

Issue date	Maturity Date	Currency	Value ('000)
19.08.2016	28.08.2019	EUR	70.000
15.12.2016	25.07.2018	PLN	400.000
12.05.2017	10.09.2019	PLN	300.000

Source: Issuer

Amendment 35: page 57, Chapter VII, Section 1.5

After the paragraphs under Table 11, under the heading “General description of receivables from loans underlying issue of the mortgage covered bonds as at 31st December 2016 (PLN '000)”, the following new heading and new text describing the receivables portfolio as at 30th June 2017 is inserted:

General description of receivables from loans underlying the issue of mortgage covered bonds as at 30th June 2017 (PLN '000)

As at 30th June 2017, mortgage covered bonds were secured with receivables of PLN 7,589.7 million, arising under a total of 15,308 loans. The register of collateral of the Issuer's public covered bonds as at 30th June 2017 did not include any exposures (the value of loans granted was PLN 0). As a consequence, the latest available data on granted loans which are pledged as collateral for public mortgage bonds, previously presented by the Issuer, are now included in Supplement No. 3 to the Prospectus of mBanku Hipoteczny SA (data as at 31st December 2016).

Apart from the debt claims, the collateral register for the mortgage covered bonds included additional security in the form of government bonds with a nominal value of PLN 110 million.

As at 30th June 2017, overcollateralisation of the covered bonds was 47.56%.

Amendment 36: page 57, Chapter VII, Section 1.5

The following new table is added under Table 12b:

Table 12c Currency structure and amount ranges of portfolio receivables provided as financial collateral of the mortgage covered bonds* as at 30th June 2017

Value range (PLN '000)	Percentage by reference to portfolio (PLN '000)	Value of loans granted in EUR expressed in thousands of PLN	Value of loans granted in USD expressed in thousands of PLN	Total
<= 250	1,288,702	3,928	1,553	1,294,183
250.1 - 500	1,647,128	7,762	479	1,655,369
500.1 - 1,000	682,306	12,673	1,360	696,339
1,000.1 - 5,000	233,591	150,646	7,102	391,339
5000.1 – 10,000	167,369	198,418	18,072	383,859
10,000.1 – 15,000	196,460	217,115	27,136	440,711
15,000.1 – 20,000	127,990	274,767	0	402,757
20,000.1 – 30,000	116,757	371,672	0	488,429
30,000.1 – 40,000	143,974	377,404	0	521,378
40,000.1 – 50,000	45,088	220,250	0	265,338
>50 000.1	0	1,049,957	0	1,049,957
Total	4,649,365	2,884,592	55,702	7,589,659
Percentage by reference to loan portfolio	61.26%	38.01%	0.73%	

Source: Issuer

*Unaudited and unreviewed operating and financial data sourced from the Issuer's management accounts.

Amendment 37: page 57, Chapter VII, Section 1.5

The following new table is added under Table 13b:

Table 13c Portfolio of receivables provided as financial collateral of the mortgage covered bonds by borrower type* as at 30th June 2017

Borrower	Value (PLN '000)	Percentage by reference to portfolio
Legal person / natural persons conducting economic activity	3,849,949	50.73%
Natural persons	3,739,710	49.27%
Total	7,589,659	100.00%

Source: Issuer

*Unaudited and unreviewed operating and financial data sourced from the Issuer's management accounts.

Amendment 38: page 58, Chapter VII, Section 1.5

The following new table is added under Table 14b:

Table 14c Structure of portfolio of receivables provided as financial collateral of the mortgage covered bonds according to the intended use* as at 30th June 2017

Intended use	Value (PLN '000)	Percentage by reference to portfolio
Commercial real estate	3,789,437	49.93%
Residential real estate	3,800,222	50.07%
Total	7,589,659	100.00%

Source: Issuer

*Unaudited and unreviewed operating and financial data sourced from the Issuer's management accounts.

Amendment 39: page 58, Chapter VII, Section 1.5

The following new table is added under Table 15b:

Table 15c Portfolio of receivables provided as financial collateral of the mortgage covered bonds by interest rate type* as at 30th June 2017

Interest rate type	Value (PLN '000)	Percentage by reference to portfolio
Variable interest rate	7,589,659	100.00%
Fixed interest rate	0	0.00%
Total	7,589,659	100.00%

Source: Issuer

*Unaudited and unreviewed operating and financial data sourced from the Issuer's management accounts.

Amendment 40: page 58, Chapter VII, Section 1.5

The following new table is added under Table 16b:

Table 16c Portfolio of receivables provided as financial collateral of the mortgage covered bonds by maturity date* as at 30th June 2017

Time range (in years)	Value (PLN '000)	Percentage by reference to portfolio
0–2 years	41	0.00%
2–3 years	19,498	0.26%
3–4 years	41,722	0.55%
4–5 years	289,249	3.80%
5–10 years	1,009,057	13.30%

> 10 years	6,230,092	82.09%
TOTAL	7,589,659	100.00%

Source: Issuer

*Unaudited and unreviewed operating and financial data sourced from the Issuer's management accounts.

Amendment 41: pages 58-59, Chapter VII, Section 1.5

The following new table is added under Table 17b:

Table 17c Portfolio of receivables provided as financial collateral of the mortgage covered bonds by geographic location* as at 30th June 2017

Voivodeship	Value (PLN '000)	Percentage
Lower Silesia (Dolnośląskie)	956,957	12.61%
Kujawy-Pomerania (Kujawsko - Pomorskie)	122,063	1.61%
Lublin (Lubelskie)	170,216	2.24%
Lubuskie (Lubuskie)	37,385	0.49%
Łódź (Łódzkie)	328,694	4.33%
Małopolskie (Małopolskie)	822,936	10.84%
Mazovia (Mazowieckie)	2,662,808	35.08%
Opole (Opolskie)	102,044	1.34%
Podkarpacie (Podkarpackie)	215,113	2.83%
Podlasie (Podlaskie)	76,192	1.00%
Pomerania (Pomorskie)	478,573	6.31%
Silesia (Śląskie)	501,968	6.61%
Świętokrzyskie (Świętokrzyskie)	86,249	1.14%
Warmia-Masuria (Warmińsko – Mazurskie)	116,573	1.54%
Wielkopolskie (Wielkopolska)	655,751	8.64%
West Pomerania (Zachodniopomorskie)	256,137	3.37%
TOTAL	7,589,659	100.00%

Source: Issuer

*Unaudited and unreviewed operating and financial data sourced from the Issuer's management accounts.

Amendment 42: page 59, Chapter VII, Section 1.5

The following new table is added under Table 18b:

Table 18c Portfolio of receivables provided as financial collateral of the mortgage covered bonds by advancement of investment execution* as at 30th June 2017

	Value (PLN '000)	Percentage by reference to portfolio
Building projects still in process	647,660	8.53%
Completed properties	6,941,999	91.47%
Total	7,589,659	100.00%

Source: Issuer

*Unaudited and unreviewed operating and financial data sourced from the Issuer's management accounts.

Amendment 43: page 59, Chapter VII, Section 1.5

After the heading "General description of receivables from loans underlying issue of public sector covered bonds as at 31st December 2016 (PLN '000)", the following new heading is added:

The register of collateral for the Issuer's public covered bonds as at 30th June 2017 did not include any exposures (the value of loans granted was PLN 0). As a consequence, the latest available data on granted loans which are pledged as collateral for public mortgage bonds, previously presented by the Issuer in Tables 19–23, are now included in Supplement No. 3 to the Prospectus of mBank Hipoteczny S.A. (data as at 31st December 2016).

Amendment 44: page 72, Chapter IX, Section 1

The following text is added after the existing text:

The Issuer represents that there has been no material adverse change in the Issuer's development prospects since the publication of its most recent audited financial statements (for 2016). The financial data for the period from 1st January 2017 to 30th June 2017 has been reviewed by the auditor.

Amendment 45: pages 75-76, Chapter IX, Section 2.2

After the heading beginning with "The following significant changes in the Issuer's financial position took place after the end of 2016:" and subsequent paragraphs, the following text is added:

The following material events took place after the end of the first half of 2017:

On 6th July 2017, the Luxembourg Financial Supervisory Authority (*Commission de Surveillance du Secteur Financier*, CSSF) approved a new base prospectus related to the placing on the Luxembourg Stock Exchange of covered bonds issued under a EUR 3 billion International Covered Bond Programme;

On 4th July 2017, mBank Hipoteczny S.A. executed with Commerzbank AG a process agent appointment letter for the covered bond programme.

On 6th July 2017, the Issuer executed with Commerzbank AG a multilateral covered bond programme agreement, with Commerzbank AG acting as the organizer and one of the five dealers under the programme.

On 6th July 2017, two agreements were executed for transfer of mortgage-backed commercial loans from mBank S.A. to mBank Hipoteczny S.A. for EUR 8,488 thousand, and EUR PLN 12,791 thousand.

On 12th July 2017, Mr Christoph Heins resigned as member of the Supervisory Board.

On 14th July 2017 and 20th July 2017, the Issuer drew further amounts under facilities contracted with mBank S.A.: PLN 150 thousand repayable on 13th September 2024, and PLN 150 thousand repayable on March 22nd 2023.

On 14th July 2017, the Extraordinary General Meeting of mBank Hipoteczny S.A. appointed Messrs Andreas Boeger and Paweł Graniewski as members of the Supervisory Board of the tenth term of office.

As at the date of approval of this Supplement, the Issuer's Supervisory Board was composed of:

1. Cezary Kocik – Chairman of the Supervisory Board
2. Lidia Jabłonowska-Luba – Deputy Chairwoman of the Supervisory Board
3. Frank Bock – Member of the Supervisory Board
4. Andreas Boerger – Member of the Supervisory Board
5. Jakub Fast – Member of the Supervisory Board
6. Paweł Graniewski – Member of the Supervisory Board
7. Michał Popiołek – Member of the Supervisory Board
8. Mariusz Tokarski – Member of the Supervisory Board.

On 19th June 2017, Mr Marcin Romanowski resigned as member of the Management Board, with effect as of 20th September 2017.

Amendment 46: page 77, Chapter IX, Section 3.1.1

The following is added before the existing text:

- The economic growth rate and prospects affect, and will continue to affect, the Polish property market, and consequently also the mortgage loan market. Therefore, these factors have a significant bearing on the Issuer's condition. In the first quarter of 2017, Poland's GDP grew by 4.0% year on year. As at 31st July 2017, economic readings for the second quarter of 2017 were not available yet, but analysts from leading banks forecast that economic growth in April–June 2017 slightly decelerated, to approximately 3.7%–3.8%.¹ According to the NBP's latest projections of 10th July 2017, the GDP growth rate will be 4.0% in 2017, while in 2018 the economic situation will deteriorate, and the GDP growth rate will fall to 3.5%. Faster economic growth may have a positive effect on the construction industry, and consequently on the commercial and residential property segment, boosting employment and salaries, which ultimately may stimulate the demand for mortgage loans provided by the Issuer (both commercial and residential).
- According to *Instytutu Prognoz i Analiz Gospodarczych*, the labour market will further strengthen on accelerated economic growth in the second half of 2017 and the improved macroeconomic situation. The unemployment rate in Poland at the end of the second quarter of 2017 was 7.1% and it is expected to come in at 7.9% at year end, i.e. 0.4pp down on the end of 2016. The unemployment rate is expected to increase slightly, to 8.1% at the end of December 2018. Moreover, the average employment growth rate will be much slower: 1.6% in 2017 and 1.4% in 2018, compared with 2.3% in 2016. Lower unemployment may have a positive effect on demand for residential properties, and thus spur interest in mortgage loans.
- The inflation rate in the January–June 2017 was 1.9%.² According to the NBP's latest projections of 10th July 2017, the average inflation rate will be 1.9% in 2017 and 2.0% in 2018.
- The Monetary Policy Council maintained interest rates unchanged since March 2015, when the most recent interest rates cut were made, which translated into lower interest rates on loans granted by the Issuer. As of 31st July 2017, the NBP interest rates remained unchanged, with the reference rate of 1.5%, which has a positive effect on sales of mortgages and timely repayment of loans by the borrowers.
- Exchange rates are another factor of key importance for the development of the Bank's loan portfolio as exchange rate fluctuations may increase debts of borrowers who contracted loans denominated in foreign currencies. A large portion (63.25% as at 30th June 2017) of the commercial loans granted by the Issuer are advanced in foreign currencies, which might adversely affect the borrowers' ability to repay the loans should a currency crisis occur. The large share of foreign currency loans is attributable to interest rates on such loans, which are lower than in the case of PLN-denominated products, as well as the fact that rents in commercial developments are set in foreign currencies.
- As at the end of 2017, the base interest rates were 0.00%³ in the eurozone and 0.75% (since 14th December 2016) in the United States. Then, on 16th March 2017, FED raised the interest rate to 1.0% and again to 1.25% on 14th June 2017.⁴

Amendment 47: page 78, Chapter IX, Section 3.1.2

The paragraph beginning with "At the end of the third quarter of 2016, the government adopted (...)" is replaced to read as follows:

At the end of the third quarter of 2016, the government approved the previously announced National Housing Programme. On 20th July 2017, the Sejm passed the Act on National Property Resources, which on 27th July was adopted by the Senate. The act is now expected to be signed by the President.

Amendment 48: pages 78-79, Chapter IX, Section 3.1.2

¹ Puls Biznesu, 24th July 2017 (<https://www.pb.pl/polski-pkb-gra-w-dwoch-tempach-867016>).

² GUS, Consumer Price Index in June 2017.

³ European Central Bank, <https://www.ecb.europa.eu/stats/monetary/rates/html/index.en.html>.

⁴ FED, <http://www.global-rates.com/interest-rates/central-banks/central-bank-america/fed-interest-rate.aspx>.

The following is added before the existing text:

- In the first half of 2017, the number of dwellings sold in the six largest Polish cities was 35.4 thousand (a year-on-year increase of nearly 24%), while 50.0 thousand new dwellings were marketed (an increase of 2% on the end of June 2016). The increase in demand exceeded the supply. The number of dwellings marketed January–June 2017 was 33.4 thousand, 6.4% more compared with the previous year, which was a consequence of investment decisions made by developers in earlier periods⁵.
- According to GUS data, in January–June 2017 the number of dwelling completions was 78.3 thousand (up 6.1% year on year), of which private individuals completed 39.4 thousand dwellings (down 6.6% year on year), and property developers – nearly 37.4 thousand dwellings (7.6% more year on year). Following a strong interest among residential developers in land acquisitions in 2016, the number of building permits obtained and housing starts reported in January–June 2017 increased. In the first half of 2017, there was a total of 130.7 thousand building permits issued and notifications registered (an increase of 33.2%), of which 71.2 thousand permits were issued to developers (+44.5% year on year) and 56.6 thousand permits were issued to individual investors (+21.3% year on year). The number of housing starts also rose, to 106.0 thousand, i.e. 7.5% more than in 2016.⁶
- The aggregate value of transactions on the commercial real estate market reached EUR 4.6 billion in 2016, the highest level in ten years. In the first half of 2017, the value of transactions on this market was over EUR 1.5 billion, i.e. slightly less than in the corresponding period of 2016. According to experts' forecasts, for the full year the volume of commercial transaction will be similar as in 2016, at ca. EUR 4.5 billion. In the six months to June 2017, most of the transactions were acquisitions of retail facilities (59%), followed by hotel properties (23%), and office real estate (18%)⁷.
- In the first half of 2017, the supply of office space in nine major office markets in Poland reached 9.28 million square metres, with new properties accounting for 319.9 thousand square metres. Demand for office space remained high – the aggregate space leased in that period was 722.9 thousand square metres. The average vacancy rate in January–March 2017 was 11.9% (down by 0.8pp on the previous year), with stable rent rates. The amount of modern office space under construction is growing dynamically and now stands at over 1.75 million square metres (as at the end of the first half of 2017), including approximately 720 thousand square metres in Warsaw, Poland's largest market.⁸ In the first half of 2017, 131.4 thousand square metres of new office space were marketed, with another ca. 750 thousand square metres under construction, of which approximately 155.0 thousand square metres will be marketed year-end 2017. The total stock of office space in Warsaw at the end of June 2017 was ca. 5.2 million square metres. Gross demand during the period was 391.4 thousand square metres (+8.7% year on year). The vacancy rate in Warsaw was down to 13.9% (-0.3pp on 2016). Investors' interest emerged as a visible trend not only in the capital city but also in regional markets, with vacancy rates continuously falling and developers maintaining the high level of activity.⁹
- Poland's retail space market is becoming a mature market. According to JLL data, the total retail space put into use during the first two quarters of 2017 was 63.1 thousand square metres, and the stock of modern retail space totalled ca. 13.4 million square metres. At the end of the second quarter of 2017, approximately 651 thousand square metres of retail space was under construction, of which nearly 372 thousand square metres to be completed by the end of 2017. The average vacancy rate for the 18 largest Polish cities was about 3.5% at the end of 2016. The total value of real estate transactions in the retail segment of the market in the six months to June 2017 was EUR 981 million (nearly 4% less compared to the corresponding period of the previous year).
- Forecasts for the warehouse space market are highly optimistic given the strong attractiveness of this market segment to foreign investors. In the first half of 2017, the level of activity was very high among

⁵ REAS, Residential Market in Poland, Q2 2017 and Q1 2017.

⁶ Central Statistics Office, Residential construction in January–June 2017.

⁷ Knight Frank, Trade dominated the real estate market, 21st July 2017.

⁸ Colliers International, Market Insights, Polska, first half of 2017 – Office space market.

⁹ JLL, Warsaw office market, first half of 2017.

developers (a 10% increase year on year) as well as tenants of modern warehouse space (36% increase in demand year on year). Both demand and supply remain high. The total supply of warehouse space delivered to the market during the period was 793 thousand square metres, and the total stock of storage space exceeded 12.0 million square metres. Developers' activity remains high as new projects are under way (a 10% increase year on year). In the six months to June 2017, most of the new warehouse space was put into operation in Warsaw (a total of 115.8 thousand square metres in the 2nd and 3rd zones), Toruń (113.0 thousand square metres) and Poznań (111.8 thousand square metres). Supply was also high in Upper Silesia (93 thousand square metres). The strong growth in demand (+36% on the first half 2016) resulted in more than 250 new contracts executed on the Polish warehouse market, with 1.9 million square metres of space rented (1.4 million square metres in the corresponding period of 2016), of which as much as 21.3% of the contracts were signed on the Warsaw market. The total stock of storage space in Warsaw at the end of June 2017 was ca. 1.6 million square metres. Vacancy rates rose to 5.9% compared with 5.4% at the end of 2016. Rents in main markets remained stable, with the highest rents in Warsaw (Zone I) and Kraków. Forecasts for the storage market remain strong given the economic growth, further infrastructure investments, and development of the e-commerce and manufacturing industries.¹⁰

Amendment 49: page 80, Chapter IX, Section 3.1.3

Before the paragraph beginning with "The value of all covered bonds in trading at the end of 2016 (...)", the following text is added:

- As at the end of June 2017, the total value of all covered bonds in trading was PLN 11.57 billion, of which covered bonds worth PLN 4.18 billion were the covered bonds issued by the Bank (market share of 36.13%). The remainder were the covered bonds issued by PKO Bank Hipoteczny (PLN 6.13 billion, market share of 52.98%) and Pekao Bank Hipoteczny (PLN 1.26 billion, market share of 10.89%). Maturities of most of the covered bonds currently in trading range from four to seven years.

Amendment 50: pages 80-81, Chapter IX, Section 3.1.4

The following text is added after the last paragraph:

- On 23rd June 2017, Fitch Ratings Ltd. confirmed its A rating with positive outlook assigned to the covered bonds, citing improvement in the risk profile of the collateral register and an increase in overcollateralisation.

Amendment 51: page 85, Chapter IX, Section 3.1.5

The following text is added after the last paragraph:

On 23rd March 2017, the Act on mortgage loans and mortgage loan market supervision was passed. The act governs, among other things, the principles and procedures for entering into and executing mortgage loan agreements; the rights and obligations of lenders, brokers and agents with respect to pre-contractual information; the rights and obligations of consumers and lenders; the consequences of failure to comply with the law; and the principles and procedures for exercising supervision over the mortgage brokers and agents. The Mortgage Loan Act came into force on 22nd July 2017 (except a few regulations which will come into force at a later date). Within the meaning of the act, a mortgage agreement is an agreement whereby a lender grants or promises to grant to a consumer a loan secured by mortgage or other right relating to residential property; or a loan intended to finance purchase or holding of an asset not related to a business or agricultural activity. This means that the act applies only to agreements concluded between lenders and consumers. Therefore, and because the new law applies only to agreements concluded after its effective date (which date coincides with the date of transfer of all consumer mortgage selling activities to mBank S.A. and discontinuation of the activity by mBank Hipoteczny S.A.), it has a limited effect on the Issuer's business. At the same time, all mortgage agreements executed after the effective date of the new law and acquired by mBank Hipoteczny S.A. will be governed by the new act. The law requires

¹⁰ Colliers International, Market Insights, Polska, first half of 2017 – Office space market

that specific adjustments be made to internal procedures, which the Issuer has already made. The Bank will comply with all obligations imposed under the Mortgage Loan Act.

mBank Hipoteczny S.A. also conducts work aimed at adapting its procedures and IT infrastructure to the requirements of the Regulation of the European Parliament and the Council (EU) 2016/679 of 27th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). The regulation will come into force on 25th May 2018.

Amendment 52: page 82, Chapter IX, Section 3.2

The following two paragraphs are added after the existing text:

- Work related to the implementation of the Data Protection Regulation (RODO) and appointment of the RODO Project Team (in accordance with a resolution of the Issuer's Management Board). mBank Hipoteczny S.A. has established a working relationship with DLA Piper, a law firm specialising in data protection and information security. The Issuer, in cooperation with the law firm, is currently analysing its IT systems used to process personal data administered at the Bank, to verify their compliance with the current Personal Data Protection Act and RODO.
- Completion of work on implementation of the requirements of the Act of 9th March 2017 on the exchange of tax information with other states, which implements the legislation in the Polish legal system and provides framework for exchange of information with non-EU countries (based on Common Reporting Standard procedures).
- Implementation of the Minister of Development and Finance's regulation of 6th March 2017 on the risk management and internal control system, remuneration policy and the procedure for estimating internal capital in banks; and of the Financial Supervision Authority's Recommendation H on the internal control system of banks. In order to implement the provisions of the Regulation and Recommendation H, the Issuer's Management Board set up a dedicated Project Team, which has prepared a gap analysis and is now engaged in work on adjusting the Bank's internal procedures to ensure compliance with the Regulation and Recommendation H.
- Implementation of solutions necessary to apply requirements of IFRS 9 *Financial Instruments*, which will come into force on 1st January 2018, based on a gap analysis and defined methodological assumptions.

Amendment 53: pages 83-85, Chapter IX, Section 4

At the end of the paragraph beginning with "In 2016 the Bank continued to work to build a new portfolio of mortgage retail loans (...)", the following new sentence is added:

In early 2017, the Issuer continued to build a new portfolio of retail mortgage loans acquired as part of its cooperation with mBank, refine the lending process, take over the retail loan portfolio from mBank under the pooling model and refinance the portfolio through covered bond issues.

Following the above sentence, a new paragraph is added:

In May–June 2017, the Bank began preparations for another change in its strategy implementation. The key assumptions of the strategy remain unchanged. The Bank finances mortgage loans based on its capacity to issue covered bonds as part of a wider balance-sheet management strategy of the mBank Group, and is gradually expanding its share in the market of covered bonds. Nevertheless, grounds have emerged for changing the model of retail mortgage sales at the mBank Group. As of 22nd July 2017, all retail mortgage products will be marketed exclusively by mBank S.A. as part of the uniform framework of selling and servicing loan products. As a consequence, the way the Issuer acquires retail assets will change. The previous model based on the sale of mortgage loans by mBank Hipoteczny S.A. will be replaced with purchase of receivables from mBank S.A. (retail pooling).

Amendment 54: pages 83-85, Chapter IX, Section 5

The following new sentence is added before the existing text:

From 30th June 2017 to the date of approval of this Supplement No. 4, no significant changes occurred in the financial and economic condition of the Issuer other than those described in Section 2.2 of this Chapter.

Amendment 55: page 89, Chapter XI, Section 2.1

After the sentence beginning with "The only shareholder of the Issuer is mBank." a new sentence is added:

As at the date of approval of this Supplement No. 4, mBank holds 3,210,000 registered shares in the Issuer's share capital, with a par value of PLN 100 per share (including 500,000 Series A ordinary shares; 850,000 Series B ordinary shares, 400,000 Series C ordinary shares, 1,000,000 Series D ordinary shares, 100,000 Series E ordinary shares, 140,000 Series F ordinary shares, 100,000 Series G ordinary shares, and 120,000 Series H ordinary shares).

Amendment 56: page 91, Chapter XII, Section 1

A new paragraph is added at the end:

The Company's Condensed Financial Statements for the First Half of 2017 have been reviewed by Agnieszka Accordi-Krawiec, an auditor (Reg. No. 11665), representing PricewaterhouseCoopers sp z o.o. of Warsaw, Al. Armii Ludowej 14, 00-638 Warsaw

Amendment 57: page 92, Chapter XIII

After the paragraph reading “The historical financial information of the Issuer has been incorporated into the Prospectus by reference to the periodic reports of the Bank” the following new paragraph is added:

The Issuer’s condensed financial statements for the first half of 2017, with the auditor’s report on the review of the financial statements, are included in the Prospectus by reference to the Issuer’s report for the first half of 2017, released on 4th August 2017 and published on the Issuer’s website at: www.mhipoteczny.pl/relacje-inwestorskie/raporty-okresowe.

Amendment 58: page 94, Chapter XV

A new indent is added at the end:

- the Issuer's reviewed condensed financial statements for the first half of 2017, with the auditor's review report.
