



Millennium Bank Hipoteczny S.A.

(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*)

Under this EUR 3,000,000,000 Programme (the “**Programme**”), Millennium Bank Hipoteczny S.A., with its registered offices at ul. Stanisława Żaryna 2A, 02-593 Warsaw, Poland (the “**Bank**” or the “**Issuer**”) may from time to time issue mortgage covered bonds (*hipoteczne listy zastawne*) (the “**Covered Bonds**”). The Covered Bonds will be issued in bearer form. The PLN Covered Bonds (as defined below) will be issued in dematerialised form.

The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed EUR 3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement), subject to increase as described herein.

The Covered Bonds may be issued on a continuing basis to one or more of the Dealers specified under “General Description of the Programme” and to any additional Dealer appointed under the Programme from time to time by the Bank (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the “**relevant Dealer**” shall, in the case of an issue of Covered Bonds being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Covered Bonds. The Bank reserves the right to issue Covered Bonds directly on its own behalf to subscribers who are not Dealers and who agree to be bound by the restrictions set out below.

An investment in the Covered Bonds involves certain risks. For a discussion of these risks, see “Risk Factors” beginning on page 12 of this Base Prospectus.

This Base Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) of the Grand Duchy of Luxembourg (“**Luxembourg**”) in its capacity as competent authority (the “**Competent Authority**”) under Article 31 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended, the “**Prospectus Regulation**”). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Bank or of the quality of the Covered Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Covered Bonds. Article 6(4) of the Luxembourg Prospectus Law (*loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*) provides that, by approving this Base Prospectus, in accordance with Article 20 of the Prospectus Regulation, the CSSF does not engage in any economic or financial opportunity of the operations or activities or the quality and solvency of the Bank. Application will be made to list Covered Bonds issued under the Programme on the Official List of the Luxembourg Stock Exchange and/or the Warsaw Stock Exchange and to admit to trading the Covered Bonds on the Regulated Market of the Luxembourg Stock Exchange and/or on the Regulated Market of the Warsaw Stock Exchange. The regulated market of the Luxembourg Stock Exchange and the regulated market of the Warsaw Stock Exchange are regulated markets for the purposes of the Directive 2014/65/EU of the European Parliament and of the Council of May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (as amended, “**MiFID II**”).

The Programme provides that Covered Bonds may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) in the European Economic Area (the “**EEA**”) or markets as may be agreed between the Bank and the relevant Dealer. The Bank may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any market.

In order to be able to conduct a listing in relation to certain issuances of Covered Bonds and/or to list certain Covered Bonds on a Regulated Market of the Warsaw Stock Exchange, the Bank applied for a notification of this Base Prospectus pursuant to Article 25 of the Prospectus Regulation into the Republic of Poland (“**Poland**”). The Bank may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area with a notification.

This Base Prospectus is valid for 12 months from its date. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Fitch Ratings Ireland Limited (“**Fitch Ratings**”) is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended) (the “**CRA Regulation**”). Fitch Ratings is included in the list of credit rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Fitch Ratings is not established in the United Kingdom (“**UK**”) and has not applied for registration under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (the “**UK CRA Regulation**”). The rating(s) issued by Fitch Ratings will be endorsed by Fitch Ratings Investors Service Limited. Fitch Ratings Ltd is established in the UK and registered under the UK CRA Regulation. As such, the rating(s) of Fitch Ratings may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation.

The Covered Bonds issued under the Programme are expected to be assigned a rating by Fitch Ratings. However, the Bank may also issue Covered Bonds which are unrated or rated by another rating agency. Where a Tranche of Covered Bonds is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to other Tranches of Covered Bonds. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Interest amounts payable under the Floating Rate Covered Bonds may be calculated by reference to EURIBOR or WIBOR, as specified in the relevant Final Terms. As of the date of this Base Prospectus, the administrators of EURIBOR or WIBOR are included in the ESMA’s register of administrators under Article 36 of Regulation (EU) 2016/1011 (the “**EU Benchmark Regulation**”). The regulatory status of any administrator under the EU Benchmark Regulation is a matter of public record and, save as required by the applicable law, the Bank does not intend to provide any updates or prepare any supplement to reflect any changes in the regulatory status of any administrator.

The Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities laws, and are subject to U.S. tax law requirements. The Covered Bonds issued under the Programme will be offered and sold outside the United States to, or for the account or benefit of, non-U.S. persons in reliance on Regulation S under the Securities Act (“**Regulation S**”) in compliance with applicable securities laws.

Arranger

Bank Millennium S.A.

This Base Prospectus and any supplement hereto will be published in electronic form on the website of the Luxembourg Stock Exchange under <https://www.luxse.com> and will be published in electronic form on the website of the Bank under <https://www.millenniumbh.pl>.

The date of this Base Prospectus is 30 September 2025 and it remains valid for 12 months from its date, i.e., until 30 September 2026.

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IMPORTANT NOTICE

This document constitutes the base prospectus of Millennium Bank Hipoteczny S.A. (the “**Bank**”) in respect of Covered Bonds (the “**Base Prospectus**”). This Base Prospectus constitutes a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

This Base Prospectus should be read and understood in conjunction with any supplement thereto and with all the documents incorporated herein by reference (see “*Documents Incorporated by Reference*” below). Full information on the Bank and any Tranche of Covered Bonds is only available on the basis of the combination of this Base Prospectus, including any supplements thereto, and relevant final terms (the “**Final Terms**”).

The Bank is solely responsible for the information in this Base Prospectus and the Final Terms for the Covered Bonds issued under the **Programme** from time to time. The Bank hereby declares that, to the best of its knowledge, the information contained in this Base Prospectus for which it is responsible, is in accordance with the facts and contains no omission likely to affect its import.

This Base Prospectus contains selected macroeconomic, industry and statistical data as well as data relating to the Bank Millennium S.A. group (the “**Group**”) which has been derived from publicly available sources, including official industry sources and other third-party sources, such as financial statements of the Group which do not form part of this Base Prospectus. Such information, data and statistics have been accurately reproduced and, as far as the Bank is aware and is able to ascertain from information published by the third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information, data and statistics may be based on a number of assumptions and estimates and may be subject to rounding.

The requirement to publish a prospectus under Prospectus Regulation only applies to the Covered Bonds, which are to be admitted to trading on a regulated market in the European Economic Area (the **EEA**).

Neither Bank Millennium S.A. (“**Bank Millennium**”, the “**Arranger**” and together with Bank Millennium – Biuro Maklerskie Banku Millennium S.A. and any further financial institution appointed as a dealer under the Programme Agreement, the “**Dealers**”), nor any other Dealer nor any other person mentioned in this Base Prospectus, excluding the Bank, is responsible for the information contained in this Base Prospectus or any supplement thereof, or any Final Terms or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Bank in connection with the Programme. No representation, warranty, or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Bank in connection with the Programme.

No person is or has been authorised by the Bank to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank, the Arranger or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Covered Bonds: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Bank, the Arranger or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Covered Bonds should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Bank. Neither this Base Prospectus nor any other information supplied in connection with the Programme nor the issue of any Covered Bonds constitutes an offer or invitation by or on behalf of the Bank, the Arranger or any of the Dealers to any person to subscribe for or to purchase any Covered Bonds.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Covered Bonds shall in any circumstances imply that the information contained herein concerning the Bank is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Bank during the life of the Programme or to advise any investor in the Covered Bonds of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Covered Bonds.

Restrictions on Distribution

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Covered Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. The Bank, the Arranger and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Bank, the Arranger or the Dealers which would permit a public offering of any Covered Bonds outside the European Economic Area or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Covered Bonds may come must inform themselves about and observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of Covered Bonds. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Covered Bonds in the United States, the European Economic Area, the United Kingdom, Italy and Belgium (see “*Subscription and Sale*”).

This Base Prospectus has been prepared on the basis that any offer of Covered Bonds in any Member State of the EEA (each a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of Covered Bonds which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Covered Bonds may only do so in circumstances in which no obligation arises for the Bank, the Arranger or any other Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Bank nor the Arranger nor any other Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in circumstances in which an obligation arises for the Bank, the Arranger or any other Dealer to publish or supplement this Base Prospectus for such offer.

The Covered Bonds have not been and will not be registered under the Securities Act or any state securities laws and are subject to U.S. tax law requirements. The Covered Bonds issued under the Programme will be offered and sold outside the United States to, or for the account or benefit of, non-U.S. persons in reliance on Regulation S under the Securities Act in compliance with applicable securities laws.

General investment considerations

The Covered Bonds may not be a suitable investment for all investors. Each potential investor in the Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus;
- (ii) has access to, and knowledge of, the appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies or where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understands thoroughly the terms of the Covered Bonds and is familiar with the behaviour of any relevant indices and financial markets;
- (v) understands that an investment in the Covered Bonds involves a reliance on the creditworthiness of the Bank only and not that of any other entities; and
- (vi) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) Covered Bonds are legal investments for it; (2) Covered Bonds can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

All references in this Base Prospectus to “PLN” and “Złoty” refer to Polish zloty, all references to “Dollar” and “\$” refer to U.S. dollar, and all references to “euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time.

As at 26 September 2025, the EUR/PLN average exchange rate published by the National Bank of Poland was EUR 1.00 = PLN 4.2668 and the USD/PLN average exchange rate published by the National Bank of Poland was USD 1.00 = PLN 3.6528.

Certain figures in this Base Prospectus have been subject to rounding adjustments. Accordingly, amounts shown as totals in tables or elsewhere may not be an arithmetic aggregation of the figures which precede them.

The term “*mortgage covered bond*” as used herein corresponds to the use of the term “*hipoteczny list zastawny*” as used in Polish legislation. Covered Bonds (as so capitalised) mean mortgage covered bonds in bearer form.

Stabilisation

In connection with the issue of any Tranche of Covered Bonds, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Covered Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds.

Any such stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all relevant requirements applicable to such actions in the jurisdictions where such actions are effected (including rules and other regulatory requirements governing any stock exchange where such covered bonds are listed).

Important – EEA Retail Investors

If the Final Terms in respect of any Covered Bonds includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Covered Bonds are not intended to be offered, sold or otherwise made available to and, with effect from such date, 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 MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the “**Insurance Distribution Directive**”), 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 the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, 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.

Important – UK Retail Investors

If the Final Terms in respect of any Covered Bonds includes a legend entitled “Prohibition of Sales to UK 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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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, and may outline further details in connections therewith. 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.

UK MiFIR product governance / target market

The Final Terms in respect of any Covered Bonds will include a legend entitled “UK MiFIR 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 the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) 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 UK MiFIR 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 Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Forward-Looking Statements

This Base Prospectus includes “forward-looking statements”. All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding the Bank’s financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Bank, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Bank’s present and future business strategies and the environment in which the Bank will operate in the future. Important factors that could cause the Bank’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed in the section entitled “*Risk Factors*”. These forward-looking statements speak only as at the date of this Base Prospectus or as at such earlier date at which such statements are expressed to be given. Subject to any continuing disclosure obligation under applicable law (including, without limitation, the obligation to prepare a supplement to this Base Prospectus pursuant to Article 23 of the Prospectus Regulation), the Bank expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Bank’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

GENERAL DESCRIPTION OF THE PROGRAMME

This section “General Description of the Programme” must be read as an introduction to this Base Prospectus and any decision to invest in any Covered Bonds should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. The following is qualified in its entirety by the remainder of this Base Prospectus.

Words and expressions defined in “Form of the Covered Bonds” and “Terms and Conditions of the Covered Bonds” shall have the same meanings in this description.

Bank:	Millennium Bank Hipoteczny S.A.
Bank Legal Entity Identifier (LEI):	259400GY0GUD59VMVV94
Description:	Programme for the issuance of Covered Bonds (<i>hipoteczne listy zastawne</i>).
Arranger:	Bank Millennium S.A.
Dealer(s):	Bank Millennium – Biuro Maklerskie Banku Millennium S.A. and any other Dealers appointed in accordance with the Programme Agreement.
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Covered Bonds issued under the Programme. These are set out under “ <i>Risk Factors</i> ”. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme. These are set out under “ <i>Risk Factors</i> ” and include certain risks relating to the structure of particular Series of Covered Bonds and certain market risks.
Certain Restrictions:	<p>Each issue of Covered Bonds in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “<i>Subscription and Sale</i>”) including the following restrictions applicable at the date of this Base Prospectus.</p> <p>Covered Bonds having a maturity of less than one year</p> <p>Covered Bonds having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (FSMA) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “<i>Subscription and Sale</i>”.</p> <p>Money market instruments having a maturity at issue of less than 12 months will not be issued under this Base Prospectus.</p>
Principal Paying Agent (with regard to the Covered Bonds other than the PLN Covered Bonds):	Banque Internationale à Luxembourg SA
Programme Limit:	EUR 3,000,000,000 (or its equivalent in other currencies calculated as described under “ <i>General Description of the Programme</i> ”) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis and subject to certain restrictions, as described under “ <i>Subscription and Sale</i> ”.
Series and Tranches:	<p>Covered Bonds will be issued on a continuous basis in Tranches with no minimum issue size, each Tranche consisting of Covered Bonds which are identical in all respects.</p> <p>One or more Tranches, which are expressed to be consolidated and forming a single series and identical in all respects, but having different issue dates, interest commencement dates, issue prices and dates for first interest payments may form a series (“Series”) of Covered Bonds. Further Covered Bonds may be issued as part</p>

of an existing Series. The specific terms of each Tranche will be set forth in the applicable Final Terms.

Currencies:	Subject to any applicable legal or regulatory restrictions, in particular EUR or PLN.
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Covered Bonds may be issued only on a fully paid basis and at an issue price which is at their nominal amount or at a discount to, or premium over, their nominal amount.
Form of Covered Bonds:	The Covered Bonds will be issued in bearer form as described in “ <i>Form of the Covered Bonds</i> ”.
Fixed Rate Covered Bonds:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Covered Bonds:	<p>Floating Rate Covered Bonds will bear interest at a rate determined:</p> <ul style="list-style-type: none">(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. (“ISDA”), and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds of the relevant Series), or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA as at the Issue Date of the first Tranche of the Covered Bonds of the relevant Series) as specified in the applicable Final Terms; or(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or(iii) on such other basis as may be agreed between the Issuer and the relevant Dealer. <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Covered Bonds.</p> <p>Floating Rate Covered Bonds may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Covered Bonds in respect of each Interest Period (as defined in the Final Terms), as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates (as defined in the Final Terms), and will be calculated on the basis of such Day Count Fraction (as defined in the Final Terms), as may be agreed between the Issuer and the relevant Dealer.</p>
Zero Coupon Covered Bonds:	Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	<p>The Covered Bonds Holders are not entitled to request redemption of the Covered Bonds prior to the Maturity Date.</p> <p>Under the Polish Act on Bonds, if the Issuer is subject to non-bankruptcy liquidation (<i>likwidacja</i>), the Issuer shall redeem the Covered Bonds at par on the opening day of such non-bankruptcy liquidation (<i>likwidacja</i>) proceedings. If the Issuer is subject to a merger (<i>połączenie</i>), division (<i>podział</i>) or transformation (<i>przekształcenie formy prawnej</i>), and the entity that has taken over all or a portion of the Issuer’s obligations under the Covered Bonds pursuant to such merger (<i>połączenie</i>), division (<i>podział</i>) or transformation (<i>przekształcenie formy prawnej</i>) is not permitted under the Polish Covered Bonds Act to issue covered bonds, the Issuer or its successor entity shall redeem such Covered Bonds at par. The terms non-bankruptcy liquidation (<i>likwidacja</i>), merger (<i>połączenie</i>), division (<i>podział</i>) and transformation</p>

(*przekształcenie formy prawnej*) as used in this paragraph shall have the meaning as prescribed under Polish law.

Unless previously redeemed or purchased and cancelled and subject to Condition 5(d) "*Redemption of the Covered Bonds in the event of the Bank's Bankruptcy and appointment of a Trustee*", each Covered Bond will be redeemed by the Bank at 100 per cent. of its nominal value on its scheduled maturity date.

If the Maturity Date of the Covered Bonds falls later than five years from the Issue Date and provided that such possibility is expressly stipulated in the applicable Final Terms, the Issuer may, in order to ensure compliance with the provisions of Article 18 of the Act on Covered Bonds and Mortgage Banks, redeem all or only some of the Covered Bonds then outstanding before the Maturity Date, but not earlier than five years after the Issue Date (see Condition 5(c)).

Covered Bonds having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions*".

Extended maturity in the event of the Issuer's bankruptcy:

Upon a Bankruptcy Event of the Issuer (as defined in Condition 5(d) of the Conditions), the maturity of all outstanding covered bonds issued by the Bank, including the Covered Bonds, will automatically be extended by 12 months (the "**Extended Maturity Date**"). While interest under all of the Issuer's covered bonds (including the Covered Bonds) will continue to be payable in the manner and on the dates indicated in the Terms and Conditions of the Covered Bonds and the applicable Final Terms, a Bankruptcy Event may affect the timing and amount of principal to be paid to Covered Bond Holders.

On the date of the Bankruptcy Event, the bankruptcy court appoints a bankruptcy receiver (*syndyk*) who will assume responsibility for the administration of the Issuer's assets. Within three months of the Bankruptcy Event, the bankruptcy receiver must conduct, in accordance with the Bankruptcy Law:

- a coverage test (*test równowagi pokrycia*) to determine whether the assets forming the separate bankruptcy asset pool (*osobna masa upadłości*) of the Issuer are sufficient to satisfy all of the Issuer's obligations towards holders of the outstanding covered bonds (including the Covered Bonds) issued by the Issuer; and
- a liquidity test (*test płynności*) to determine whether the assets forming the separate bankruptcy asset pool of the Bank are sufficient to satisfy all of the Bank's obligations towards holders of the outstanding covered bonds issued by the Issuer in full taking into account the Extended Maturity Dates of the outstanding covered bonds (including the Covered Bonds) issued by the Issuer.

If the results of both the coverage test and the liquidity test are positive, the claims of the Holders of the Covered Bonds for the repayment of principal are to be fulfilled in accordance with the Terms and Conditions of the Covered Bonds and the applicable Final Terms up to the Extended Maturity Date.

If the result of the coverage test is positive but the result of the liquidity test is negative, or if the result of the coverage test is negative, the maturity of the Covered Bonds will be extended by three years from the latest maturity date of a receivable in the cover pool.

In certain circumstances provided by Polish law, the claims of the Holders of the Covered Bonds for the payment of principal may be satisfied sooner than the applicable extended maturity dates pursuant to pass-through procedures from the receivables in the cover pool.

In addition, the holders of all outstanding covered bonds issued by the Issuer may, by a vote of holders representing two-thirds of the aggregate principal amount of all outstanding covered bonds of the Issuer, adopt resolutions requesting the bankruptcy receiver to sell the cover pool (Condition 5(d) "*Redemption of the Covered Bonds in the event of the Bank's Bankruptcy and appointment of a Trustee*").

Other circumstances may affect the timing and amount of principal to be paid to Covered Bond Holders. For further details see Condition 5(d) “*Redemption of the Covered Bonds in the event of the Bank’s Bankruptcy and appointment of a Trustee*” of the terms and conditions of the Covered Bonds.

Compulsory write-down or conversion (bail-in):

Pursuant to the provisions of the Polish Act on Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Restructuring dated 10 June 2016 (as further amended) (*ustawa z dnia 10 czerwca 2016 r. o Bankowym Funduszu Gwarancyjnym, systemie gwarantowania depozytów oraz przymusowej restrukturyzacji (z późniejszymi zmianami)*) (the “**Resolution Act**”), secured liabilities comprising a separate and secured cover pool, such as the obligations of the Issuer under the Covered Bonds, shall not be subject to compulsory write-down or conversion into equity up to the amount which is fully covered. It means, however, that such compulsory write-down or conversion to equity may apply to such obligations of the Issuer under the Covered Bonds, but only to the extent the value of the Cover Pool is not sufficient to satisfy all claims under such Covered Bonds.

Denomination of Covered Bonds:

Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Covered Bond will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “*Certain Restrictions*”, and save that the minimum denomination of each Covered Bond will be at least EUR 100,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Covered Bonds will be made without deduction for or on account of withholding taxes imposed by a Tax Jurisdiction, subject as provided in Condition 6 “*Taxation*” of the Terms and Conditions of the Covered Bonds unless such deduction is required by law. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 6 “*Taxation*” of the Terms and Conditions of the Covered Bonds be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

The Terms and Conditions of the Covered Bonds will not contain a negative pledge provision.

Cross Default:

The Terms and Conditions of the Covered Bonds will not contain a cross-default provision.

Status of the Covered Bonds:

The Covered Bonds are direct, unconditional, unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Polish Covered Bonds Act and rank *pari passu* with all other covered and unsubordinated present and future obligations of the Issuer which have the same status as the Covered Bonds under the Polish Covered Bonds Act.

Label:

The Covered Bonds constitute “European Covered Bonds” (*europejskie listy zastawne or europejskie obligacje zabezpieczone*) within the meaning of Article 27(1) of the Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU. If the Covered Bonds comply with the requirements set out in Article 129 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, they may be labelled as “European Covered Bonds (Premium)” (*europejskie listy zastawne (premium) or europejskie obligacje zabezpieczone (premium)*) in the relevant Final Terms.

Subordination:

Covered Bonds may not be issued on a subordinated basis.

Rating:

Covered Bonds issued under the Programme may be rated or unrated. Where a Series of Covered Bonds is rated, such rating will be disclosed in the applicable Final Terms.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. See “*Information relating to Ratings*” below.

Listing and admission to trading:

Application will be made to list Covered Bonds issued under the Programme on the Official List of the Luxembourg Stock Exchange and/or the Warsaw Stock Exchange and to admit to trading the Covered Bonds on the Regulated Market of the Luxembourg Stock Exchange and/or on the Regulated Market of the Warsaw Stock Exchange.

Each of the Luxembourg Stock Exchange’s Regulated Market and the Warsaw Stock Exchange’s Regulated Market is a regulated market for the purposes of the Market and Financial Instruments Directive 2014/65/EU. The Programme provides that Covered Bonds may be listed on further stock exchanges, as may be agreed between the Issuer and the relevant Dealer(s) in relation to each Series, as specified in the relevant Final Terms. Covered Bonds that are neither listed nor admitted to trading on any market may also be issued under the Programme.

The applicable Final Terms will state whether or not the Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or markets.

Clearing:

The Covered Bonds have been accepted for clearance through Euroclear, Clearstream, Luxembourg and/or any other clearing system as may be specified in the relevant Final Terms. The Covered Bonds designated in the applicable Final Terms as “PLN Covered Bonds” (the “**PLN Covered Bonds**”) which are denominated in PLN will be accepted for clearance in the depository system maintained by the Polish National Depository for Securities (*Krajowy Depozyt Papierów Wartościowych S.A.*; the “**NDS**”) as a primary depository and, if applicable, through any other clearing system as secondary depository as may be specified in the relevant Final Terms. To the extent available with respect to the PLN Covered Bonds, the Common Code and the International Securities Identification Number (ISIN) of each Series of the Covered Bonds will be set out in the relevant Final Terms, as more fully described under “*Form of the Covered Bonds*”. If in the relevant Final Terms concerning the PLN Covered Bonds which are to be first registered in the records of persons entitled from securities (*ewidencja osób uprawnionych z papierów wartościowych*) created and maintained by the Polish Issue Agent, the Common Code, the International Securities Identification Number (ISIN), CFI and/or FISN are designated as “Not applicable”, it means that this information will be available following the registration of the PLN Covered Bonds in the depository system operated by the NDS, as described under “*Form of the Covered Bonds*”, except for the situation where the PLN Covered Bonds are registered only in the depository system maintained by the NDS, in which case the Common Code will not be available.

Payments:

Payments on Global Covered Bonds will be made to Euroclear or Clearstream, Luxembourg, as relevant, or to its order for credit to the relevant accountholders of Euroclear or Clearstream, Luxembourg. The Issuer will be discharged by payment to, or to the order of, Euroclear or Clearstream, Luxembourg, as relevant, and each Holder of Covered Bonds represented by a Global Covered Bond held through Euroclear or Clearstream, Luxembourg must look solely to Euroclear or Clearstream, Luxembourg for its share of any payments so made by the Issuer.

Payments on the PLN Covered Bonds will be made through the NDS in accordance with the applicable NDS Rules.

Notification:

In order to be able to list certain Covered Bonds on the Regulated Market of the Warsaw Stock Exchange, the Issuer applied initially for a notification of this Base Prospectus pursuant to Article 25 of the Prospectus Regulation into Poland.

Governing Law:

The Covered Bonds and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, Polish law.

The Polish common court appropriate for the registered seat of the Issuer at the time of making a claim shall have non-exclusive jurisdiction for any action or other legal

proceedings arising out of or in connection with the Covered Bonds. The Polish courts shall have exclusive jurisdiction over lost or destroyed Covered Bonds.

Selling Restrictions: There are restrictions on the offer, sale and transfer of Covered Bonds in the United States, the European Economic Area, the United Kingdom, Italy, Belgium and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Covered Bonds (see “*Subscription and Sale*”).

United States Selling Restrictions: The Covered Bonds have not been and will not be registered under the Securities Act or any state securities laws and are subject to U.S. tax law requirements. Covered Bonds issued under the Programme will be offered and sold outside the United States to, or for the account or benefit of, non-U.S. persons in reliance on Regulation S in compliance with applicable securities laws.

The Covered Bonds will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulations section, including, without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (“**TEFRA D**”) or 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulations section, including, without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (“**TEFRA C**”), unless the Covered Bonds are issued in circumstances in which the Covered Bonds will not constitute “registration required obligations” for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Representation of the Holders of the Covered Bonds: The Terms and Condition provide the meeting of the Covered Bond Holders that may consider any matter affecting their interests under the Covered Bonds, including the sanctioning by a resolution of a modification of the Conditions.

For further details, see Condition 12 “*Meetings of covered bond holders modification, waiver and substitution*” of the Terms and Conditions of the Covered Bonds.

Calculating the PLN equivalent of the Aggregate Nominal Amount

For the purpose of calculating the PLN equivalent of the aggregate nominal amount of Covered Bonds issued under the Programme from time to time:

- (i) the PLN equivalent of Covered Bonds denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the Covered Bonds, described under “*Form of the Covered Bonds*”) shall be determined, at the discretion of the Bank, either as of the date of issuance of Covered Bonds or on the preceding day on which commercial banks and foreign exchange markets are open for business in Warsaw, in each case on the basis of the spot rate for the sale of the PLN against the purchase of such Specified Currency in accordance with the NBP’s exchange rate applicable on the relevant day of calculation; and
- (ii) the PLN equivalent of Zero Coupon Covered Bonds (as specified in the applicable Final Terms in relation to the Covered Bonds, described under “*Form of the Covered Bonds*”) and other Covered Bonds issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Bank for the relevant issue.

Issuing and Principal Paying Agent, Calculation Agents, Luxembourg Listing Agent, the Polish Issue Agent

The Programme provides for the following initial agents:

Issuing and Principal Paying Agent: Banque Internationale à Luxembourg

Calculation Agent (with regard to the Covered Bonds other than the PLN Covered Bonds): Banque Internationale à Luxembourg

Luxembourg Listing Agent: Banque Internationale à Luxembourg

Polish Issue Agent (*agent emisji*) (applicable to the PLN Covered Bonds only): Bank Millennium S.A.

Calculation Agent (with regard to the PLN Covered Bonds): Bank Millennium S.A.

The Bank may change or terminate the appointment of the agents and may appoint other or additional agents.

Information relating to Ratings

Tranches of Covered Bonds issued under the Programme may be rated or unrated. The ratings assigned to the Tranches of Covered Bonds will be disclosed in the relevant Final Terms within the item “*Rating*”. Investors should nevertheless keep in mind that a rating does not constitute a recommendation to purchase, sell or hold debt securities issued by the Bank.

Moreover, the ratings assigned by the rating agencies may at any time be suspended, downgraded or withdrawn. Any such suspension, downgrade or withdrawal of the rating assigned to the Bank may have a sustained adverse effect on the market price of the debt securities issued under this Base Prospectus.

Where a Tranche of Covered Bonds is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Covered Bonds will be: (1) issued or endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or by a credit rating agency which is certified under the CRA Regulation; and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation, will, in each case, be disclosed in the Final Terms. In general, European-regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation; or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. In general, UK-regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

The current ratings of the covered bonds issued by the Bank may be found on the Bank’s website at: <https://www.millenniumbh.pl>.

Prospectus

This Base Prospectus and any supplement(s) hereto will be published in electronic form on the website of the Luxembourg Stock Exchange at: <https://www.luxse.com>, and will be published on the website of the Bank at: <https://www.millenniumbh.pl>.

Final Terms

In relation to Covered Bonds issued by the Bank which are listed on a Regulated Market on any stock exchange, the relevant Final Terms will be available on the website of the Bank at: <https://www.millenniumbh.pl> and will, if legally required, be published in any other form. Furthermore, in relation to Covered Bonds which are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, the relevant Final Terms will also be available on the website of the Luxembourg Stock Exchange at <https://www.luxse.com>.

Cover Pool Monitor

Monitoring of certain regulatory requirements by the Bank in respect of the Cover Pool maintained by the Bank relating to the Covered Bonds, is carried out by the independent Cover Pool Monitor and Deputy Cover Pool Monitor, appointed by the Polish Financial Supervision Authority (*Komisja Nadzoru Finansowego*) (the “**PFSA**”) (see “*The role of the cover pool monitor*”).

RISK FACTORS

In purchasing the Covered Bonds, investors assume the risk that the Bank may become insolvent or otherwise be unable to make all payments due in respect of the Covered Bonds. There is a wide range of risks which individually or together could result in the Bank becoming unable to make all payments due. The Bank has identified in this Prospectus a number of risks which could materially adversely affect its business and ability to make payments due. Risks which are material for the purpose of assessing the market risks associated with the Covered Bonds are also described below. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

RISKS RELATING TO THE BANK

Risks relating to the Bank's political, economic, operational and competitive environment

Deterioration in Poland's economic conditions could affect the Bank's business, financial condition and results of operations.

The Bank conducts its operations in Poland. As a result, the macroeconomic situation in Poland has a material impact on the business, financial condition and results of the Bank's operations.

The economic situation in Poland depends on a number of factors, including measures by which the Polish government attempts to influence the economy, such as setting levels of taxation, expenditures or other regulations. The economic situation in Poland is also influenced by the decisions of the relevant regulatory bodies setting the reference rates and other regulatory ratios concerning the financial sector as well as economic decisions made by the authorities of other countries which are Poland's key trade partners and the pace and scale of inflow of funds from the EU. These factors could affect the economic growth in Poland, the situation of the labour market and the financial results of the corporate sector.

A potential prolonged economic slowdown in Poland would materially affect the Bank's operations. Higher unemployment and lower consumption, as well as fluctuations in the financial markets (including the currency markets), may adversely affect the financial condition of the Bank's customers, which could, in turn, impair the quality and volume of the Bank's mortgage loans and other financial assets and result in decreased demand for the mortgage loans. In addition, in volatile market conditions, the value of assets securing mortgage loans, including real estate, may decline significantly.

On 24 February 2022, Russia invaded Ukraine and launched a full-scale military attack against Ukraine. As of the date of this Prospectus, Russia occupies several regions in Ukraine and military operations are being conducted in the territory of Ukraine. It is not possible to predict when the war will end and what will be the result of the war. The war has caused increased market volatility and has had a negative effect on the Polish economy. In particular, disruptions to the supply of commodities and fuel led to a significant increase in inflation, which in March 2023 reached 18.4 per cent. year-on-year, the highest level in Poland since 1996. The Polish economy started to recover in the second half of 2023. In August 2025, inflation in Poland decreased to 2.9 per cent. year-on-year.

The Bank's business, as well as the successful implementation of its strategy, is highly dependent on the financial situation of its customers and, in particular, their ability to repay existing loans. The financial situation of Polish households, including the Bank's customers, is closely correlated with the unemployment rate. An increase in the unemployment rate in Poland could cause an increase in the Bank's expected credit losses or hinder the growth of the Bank's loans and advance portfolio. High inflation may also have a negative impact on the creditworthiness of households and lead to a decrease of their disposable income.

A continued economic slowdown in Poland or other factors negatively affecting the situation of individual customers or companies may result in implementation of governmental measures to support these customer groups. These measures may include suspensions of loan repayments, cancellations of loan repayments or caps on charged interest and, as a consequence, may have a material adverse effect on the financial condition of the Bank.

Any deterioration in economic, business, political and social conditions in Poland may have a material adverse effect on the business, financial condition and operations of the Bank.

Risks relating to the political and economic situation in Europe

The performance of the European markets and economies is currently facing heightened uncertainty especially due to the Russian invasion of Ukraine, relatively high interest rates and inflation, as well as increased prices of energy. Those factors may still have significant impact on the European markets in the coming years.

Moreover, there is a perception among certain investors that the economic or financial conditions of Central and Eastern European countries influence the economic or financial conditions of Poland, and that financial assets of Central and Eastern European countries may be treated as the same "asset class" by foreign investors. As a result, investors may reduce their investments in Polish financial assets due to deteriorating economic or financial conditions in other countries of Central and Eastern Europe, e.g., Ukraine. Specifically, the devaluation or depreciation of any of the currencies in Central and Eastern Europe could impair the strength of the PLN. The financial problems faced by the Bank's customers could

also adversely affect the Bank's business, financial condition and results of operations. Market turmoil and economic deterioration could adversely affect the respective liquidity, businesses and/or financial conditions of the Bank's borrowers, which could in turn impair the Bank's loan portfolio and other financial assets and result in decreased demand for mortgage loans. In an environment of significant market turmoil, economic deterioration and increasing unemployment, coupled with declining consumer spending, the value of assets collateralising the Bank's secured loans, including real estate, could also decline significantly.

In 2025, the United States of America imposed new tariffs on goods imported to the USA, including goods exported by the EU. The purpose of these tariffs is to protect the domestic industry in the USA and reduce trade deficits between the USA and its trading partners. Although some of these tariffs were suspended shortly after their announcement, the introduction of tariffs may have wide-ranging effects on the global economy. It may affect trade relations and disrupt supply chains as well as lead to increased volatility in the global financial markets. Given the interconnected nature of the modern economy, any disturbances in the international markets may affect the condition of the Polish economy, including the financial situation of the Bank, its customers and other stakeholders.

Adverse macroeconomic conditions or negative developments in the financial markets or legal and political environment could have an adverse effect on the Bank's business, financial condition and results of operations. No assurance can be given that such matters would not adversely affect the ability of the Bank to satisfy its obligations under the Covered Bonds and/or the market value and/or the liquidity of the Covered Bonds in the secondary market.

Significant decline of residential property prices may affect the Bank's financial standing

The repayment of the Bank's mortgage loans is secured by residential property, which is exposed to the risk of losing value. Therefore, a significant decline in property prices may lead directly to a decrease in the value of security for loans advanced by the Bank. Furthermore, depreciation of property value may have an effect on the mortgage lending value of property calculated by the Bank, which may result in the Bank breaching statutory restrictions on its activities. All such developments may lead to a reduction of the scale of the Bank's operations and adversely affect the Bank's financial standing.

A credit rating downgrade may increase the Bank's financing costs

Credit ratings affect the cost and other terms upon which the Bank is able to obtain funding. A significant reduction in Bank Millennium's and/or the Covered Bonds' credit ratings could increase the costs associated with the Bank's interbank and capital markets transactions and could adversely affect the Bank's liquidity and competitive position, undermine confidence in the Bank, increase its borrowing costs and adversely affect its interest margins. Bank Millennium's and/or the Covered Bonds' credit ratings, or outlook on them, may also fluctuate as a result of changes of ratings, or the outlook on ratings, assigned to Poland. Any negative change or withdrawal of the credit rating of the Covered Bonds may have an adverse effect on their value.

Growing competition in the Polish mortgage banks market may affect the Bank's profitability

The Bank operates in the Polish mortgage banks market, which is subject to growing competition resulting from such market's continuous development. As at the date of this Prospectus, there are five mortgage banks operating in Poland (the Bank, ING Bank Hipoteczny S.A., mBank Hipoteczny S.A., Pekao Bank Hipoteczny S.A. and PKO Bank Hipoteczny S.A.). Competition in the covered bonds market, both from Polish and international issuers, may have a negative impact on the value of covered bond issuances planned by the Bank and thus on the Bank's ability to finance its activity or the costs of such financing. Growing competition could adversely affect the Bank's financial performance and its ability to perform its obligations under the Covered Bonds.

Properties securing mortgage loans are exposed to catastrophes and natural disasters

The properties which are mortgaged in the Bank's favour are insured in accordance with the market practice. It is possible that such insurance may not cover all risks to which a property is exposed. Properties on which mortgage loans are secured may be destroyed or significantly damaged as a result of natural disasters, such as floods, hurricanes, tornadoes, hailstorms and fires. The frequency and intensity of such phenomena are difficult to predict. Moreover, the growing weather and climate variability observed in recent years creates additional uncertainty over the future occurrence of such disasters. A natural disaster can result in a lower value of property and thus the value of security established for the Bank's benefit, especially if a property is not covered by a valid insurance policy or if bringing the property back to its pre-disaster condition is impossible. In consequence, such natural disasters could adversely affect the Bank's financial standing and ability to perform its obligations under the Covered Bonds.

Risk of unpredictable events

Unpredictable events such as terrorist attacks, cyber attacks, military actions and epidemics can disrupt the Bank's operations and cause significant losses relating to immovable and movable property, financial assets and key personnel. Unpredictable events can also generate additional operating expenses, such as higher insurance premiums. They can also prevent the Bank from obtaining insurance coverage with respect to certain risks. In consequence, they may adversely affect the Bank's financial standing and ability to perform its obligations under the Covered Bonds.

Risks factors relating to the Bank's financial position

Changes in interest rates may affect the Bank's income

Interest rate risk originates primarily from the differences between the structure and/or levels of interest rates applicable in respect of the Bank's asset side and liability side, respectively. For example, the Bank may fund its assets with fixed and/or relatively high interest rates, by liabilities obtained at floating and/or lower interest rates, and vice versa. Interest rate risk may also arise when interest rate fixing periods on assets and liabilities do not coincide.

As with all other banks, the Bank earns interest from loans and other assets and pays interest to its creditors. Interest rates are highly sensitive to many factors beyond the Bank's control, including monetary policies and domestic and international economic and political conditions.

As with any bank, changes in market interest rates (including changes in the difference between prevailing short-term and long-term rates) and correlations between changes in interest rates in the reference markets and interest margins could affect the interest rates the Bank charges on its interest-earning assets compared with the interest rates it pays on its interest-bearing liabilities. This difference could reduce the Bank's net interest income.

As a consequence of its distinctive asset-liability structure as a mortgage bank, the Bank earns interest primarily from mortgage loans and pays interest mainly to the holders of covered bonds and its' main creditor. An increase in interest rates may reduce the demand for mortgage loans. Conversely, a decrease in the general level of interest rates may adversely affect the Bank through increased prepayments on the Bank's mortgage loan portfolio. Changes in interest rates may also affect the Bank's ability to issue covered bonds.

A mismatch in interest-earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material adverse effect on the financial condition and results of operations of the Bank.

The Bank has a special asset-liability structure

Since the Bank operates as a mortgage bank under stringent legal requirements (see "*Overview of legal regulations concerning the banking sector*"), it has a special asset-liability structure as compared with that generally characterising the Polish banking system. For example, as other mortgage banks, the Bank cannot accept deposits. The Bank will primarily fund its mortgage lending business by issuing covered bonds and taking loans. Mortgage loans have long-term maturities and provide for repayments in the form of instalments with principal amounts being subject to amortisation on a periodic basis. Covered bonds, on the other hand, are medium-term obligations of the Bank with bullet repayments. Consequently, financing mortgage loans through the issuance of covered bonds exposes the Bank to (funding) liquidity risks (besides interest rate risks) in particular arising from such maturity mismatches. To the extent that the volume of, or the Bank's ability to access on commercially reasonable terms and/or in a timely manner, the wholesale lending markets becomes constrained, the Bank may face funding gaps, in particular, in periods of turmoil or in the event of unexpected governmental interventions in the markets where it operates. Difficulties in refinancing may also cause the Bank to dispose of its assets at a loss, increase the rates paid on funding or limit its business activities.

Although Bank Millennium provides the Bank with access to additional sources of financing, including for the direct financing of acquired receivables, the Bank's strategy is ultimately to obtain financing mainly from entities outside the Group through the issue of covered bonds.

A lack of liquidity or refinancing opportunities may, *inter alia*, result in a limitation of business volume in the financing business, which may, in turn, lead to a reduction of the Bank's interest income and could adversely affect the Bank's business, financial position and results of operations.

Decline in demand for residential properties will lead to decline in demand for mortgage loans

A drop in demand for residential property may have a direct negative effect on the demand for mortgage loans, translating into lower-than-planned sales of mortgage loans by Bank Millennium and, as a consequence, a reduced number of loans transferred by Bank Millennium to the Bank. Lower sales of mortgage loans could adversely affect the Bank's financial performance and ability to perform its obligations under the Covered Bonds.

Credit risk

Credit risk is the risk of incurring a loss as a result of a customer or counterparty failing to meet its obligations to the Bank as a result of, among other things, a deterioration in the customer's or counterparty's ability to service its obligations or a decline in the economic value of the Bank's receivables (including due to negative changes in the prices of real estate securing credit).

Credit risk is inextricably linked to the fact of conducting business activities involving the acquisition of portfolios of receivables from mortgage-backed residential loans and constitutes the primary risk inherent in the activities of mortgage banks, including the Bank. The Bank acquires from Bank Millennium portfolios of receivables arising from mortgage-backed residential loans granted by Bank Millennium. Prior to acquiring a debt portfolio, the Bank performs a qualitative

analysis of the debt in accordance with the regulations applicable to the Bank and accepted market practices, including the use of precisely defined eligibility criteria. This does not exclude the risk of losses resulting from a deterioration in the customer's ability to service their obligations after the acquisition of the receivables by the Bank, e.g., as a result of job loss, illness, or other random factors.

As a result, this may lead to the borrower defaulting on its obligations under the loan granted to it. The widespread occurrence of such circumstances may lead to a significant increase in the level of credit risk to which the Bank is exposed, which in turn may have a negative impact on the Bank's financial results and on the Bank's ability to service and redeem the issued Covered Bonds.

Risks relating to the Bank's operations

Borrowers may fail to duly perform their obligations under the mortgage loans

The Bank is exposed to potential credit-related losses that can occur as a result of borrowers being unable or unwilling to honour their contractual obligations.

Various factors can influence mortgage delinquency rates, prepayment rates, foreclosure and eviction frequency and the ultimate payment of interest and principal, such as changes in market interest rates, foreign exchange rates, international, national or local economic conditions, regional economic or housing conditions, changes in tax laws, inflation or real estate property values, unemployment, the financial standing of borrowers, the availability of financing, yields on alternative investments, political developments and government policies, changes in the personal or financial condition of the borrowers or other, similar factors.

Decrease of the borrowers' ability to duly perform their obligations under the mortgage loans due to any of the factors specified above or increase in the delinquency rates and prepayment rates may have an adverse effect on the business and profitability of the Bank.

Proceeds from enforcement of mortgages may not satisfy the Bank's claims in full

When borrowers default on mortgage loans, enforcement actions can be taken in order to claim the collateral securing them. However, the Bank's credit risk may increase if the collateral it holds cannot be enforced or is enforced at a price lower than the full amount due and payable under the relevant mortgage loan.

If sale prices of residential real property in Poland substantially decline for any reason, the value of the Bank's security might be adversely affected and, in cases of foreclosure, the Bank may not be able to recover the entire amount of a loan if the borrower is unable to repay it. The Bank cannot guarantee that if the residential real estate market in Poland deteriorates significantly, the ability to enforce its security in a timely and effective manner would not deteriorate as well. This could have an adverse effect on the Bank's business, financial condition and the results of its operations.

The fair market value of real estate that is mortgaged as security for loans may be subject to fluctuations over time, caused in particular by changes in supply and demand, construction deficiencies and delays, land contamination and environmental hazards, leasing status (vacancies) or potential buyers and their financial resources, changes in the general legal framework such as tax treatment, and other factors that are beyond the control of the Bank (such as natural disasters, war and terrorist attacks). Such market developments and changes may reduce the value of real estate collateral. A decline in the value of collateral or the Bank's inability to obtain additional collateral may require the Bank to reclassify the relevant loans and/or set aside additional provisions for loan losses, and could result in increased provisions and/or capital requirements.

Any failure to recover the expected value of real estate collateral in enforcement proceedings may expose the Bank to losses, which may have an adverse effect on the Bank's business, results of operations and financial conditions.

Establishment and enforcement of mortgages can be lengthy and expensive

The basis for the issuance of the Covered Bonds is primarily receivables secured by a mortgage entered in the register of collateral for covered bonds maintained by the Bank, whereby the acquisition of the receivables in question by the Bank requires prior entry of a change of the mortgagee in the land and mortgage registers maintained for the real estate securing the repayment of the acquired receivables. As at the date of this Prospectus, proceedings in the land and mortgage register to enter a change of creditor in the land and mortgage register are often lengthy and, in some cases, may take up to several months. Prolonged proceedings in the land and mortgage register may hinder the Bank's ability to issue Covered Bonds and thus finance its operations, which may have a negative impact on the Bank's financial position.

Similarly, enforcement of a mortgage over a property can be a lengthy process and may require the creditor to incur substantial costs, especially in relation to foreclosure sales of property by court enforcement officers.

Additionally, the Act on Mortgage Credit and Supervision over Mortgage Credit Intermediaries and Agents dated 23 March 2017 (*ustawa z dnia 23 marca 2017 r. o kredycie hipotecznym oraz o nadzorze nad pośrednikami kredytu hipotecznego i agentami*, the "**Mortgage Credit Act**") introduced certain restrictions on the ability of banks to enforce mortgages over real estate.

Prolonged enforcement proceedings requiring significant expenditures could make it difficult for the Bank to fully recover the funds owed by borrowers, which could adversely affect the Bank's financial performance and its ability to meet its obligations under the Covered Bonds.

The Bank is dependent on Bank Millennium

The Bank is 100% owned by Bank Millennium and is operationally dependent on its parent company, and its strategy and risk management must be consistent with those of the Group. The Bank and Bank Millennium cooperate extensively, including in the Bank's statutory and operational activities, on the basis of a number of cooperation agreements, including outsourcing agreements within the meaning of applicable legal regulations and the positions of supervisory authorities. These agreements specify the scope and manner of performance of activities by Bank Millennium for the Bank in connection with the Bank's statutory and operational activities.

The cooperation between the Bank and Bank Millennium, in particular that carried out on the basis of and in performance of these agreements, is based on the assumption that the Bank performs decision-making activities (including making credit decisions and decisions on amendments to credit agreements).

In addition, the Bank acquires from Bank Millennium, pursuant to a framework agreement for the sale of receivables and specific agreements for the sale of receivables concluded in performance of that framework agreement, portfolios of receivables arising from mortgage-backed residential loans granted by Bank Millennium, which in particular means that Bank Millennium's receivables arising from mortgage-backed loans granted by it and acquired by the Bank currently constitute the Bank's primary source of income.

In addition, Bank Millennium has provided the Bank with financing in the form of a credit facility for the purchase of receivables from Bank Millennium, deferred payment for the purchase of receivables from Bank Millennium, and an overdraft facility intended to finance the Bank's current operations.

Any future adverse changes related to the operations, operating model or IT systems at Bank Millennium and the perception of Bank Millennium brand, as well as a deterioration in the financial situation of Bank Millennium resulting in the need to suspend or reduce the financing granted to the Bank, may have a negative impact on the financial situation and operations of the Bank and on the Bank's ability to service and redeem the issued Covered Bonds.

The Bank may fail to meet its main objectives

The key business objective defined in the Bank's strategy is: (i) financing the retail mortgage loan portfolio through the issuance of covered bonds which is also an important element of the financing structure strategy of the Group and of meeting the long-term financing ratio requirement; (ii) providing long-term and effective financing for assets transferred from Bank Millennium; (iii) operating with the use of the experience and expertise available within the Group; and (iv) transferring mortgage loans from Bank Millennium taking into account the criteria qualifying the exposures for transfer to the Bank.

Any shifts in the market environment, particularly those with a significant negative impact on demand for covered bonds, may adversely affect the Bank's business, results of operations and financial condition. Given the nature of its business, the Bank will have a limited ability to seek alternative sources of funding should it fail to deliver its strategic objective regarding mortgage loans and covered bonds. Such failure to deliver its strategic objective could adversely affect the Bank's business, results of operations and financial condition and ability to meet its obligations under the Covered Bonds.

Claims of borrowers under loans with interest rates based on WIBOR may affect the Bank's financial performance.

The Polish Monetary Policy Council (in Polish: *Rada Polityki Pieniężnej*, the "MPC"), which is responsible for setting the reference rates in Poland, increased the main Polish reference rate in the period from October 2021 to September 2022 from 0.10 per cent. to 6.75 per cent. Although as of the date of this Prospectus the main reference rate is 4.75 per cent., the increase in the reference rates led to an increase of the Warsaw Interbank Offered Rate ("WIBOR"), a benchmark which is the basis for determining the interest rate for the majority of floating rate loans denominated in PLN, including outstanding mortgage loans from the Bank's portfolio. There are speculations in the media that this may cause the borrowers under such loans to try to challenge the loans in court by requesting courts to invalidate the loan agreements in whole or only in relation to the provisions concerning the calculation of interest.

As at 30 June 2025, the Bank had been sued by two borrowers under mortgage loans denominated in PLN. The Bank believes that the number of those lawsuits might increase. The borrowers claim among the things that WIBOR is an incomprehensible factor affecting their financial liabilities which they cannot independently verify. The borrowers challenging the loan agreements also claim that WIBOR does not properly reflect the economic environment, that it is fixed on the basis of artificial data provided by banks and not on the basis of real transactions, and assert that banks did not provide them with sufficient information on how a floating interest rate may affect the repayments under the loans.

Importantly, in the first half of 2026, the Court of Justice of the European Union ("CJEU") is expected to deliver its ruling in a case concerning WIBOR-based loans which does not involve the Bank. The CJEU's position may be crucial for the further development of the case law in Poland and other EU countries, especially in the context of consumer protection and

the assessment of the transparency of reference rates used by banks. If the results of the majority of the lawsuits are unfavourable for the Bank, the Bank's financial condition may materially deteriorate.

All litigations entail uncertainty and the outcome is not predictable. Failure to manage these risks could adversely affect the Bank's operations and/or reputation.

The Bank's day-to-day operations may be disrupted

Internal and external events such as IT system failures, the Bank's staff and/or the Bank's outsourcers' errors or misconduct, cyber attacks, terrorist attacks, military actions, pandemics and natural disasters may disrupt the Bank's day-to-day operations. Such disruptions may force the Bank to suspend or limit its operational activities. The Bank may also have to incur additional costs to limit the influence of such disruptions on its operations.

Any disruptions in the Bank's day-to-day operations may have an adverse effect on the Bank's financial standing and ability to perform its obligations under the Covered Bonds.

Risk management systems might not identify all risks

In its operations, the Bank manages risk through the risk assessment methods and procedures it has implemented, including risk assessment models. These tools support the Bank's decision-making processes. However, they may prove to be insufficient to properly assess future risks due to reliance on historical data, errors made at the stage of development, implementation or incorrect use of the methods and models, etc. This may lead to an incorrect assessment of the risk related to the Bank's recognised assets and liabilities, off-balance sheet items and the Bank's business decisions, which in turn may adversely affect the Bank's financial standing and ability to perform its obligations under the Covered Bonds.

Risk factors related to the legal and regulatory environment

Regulatory intervention concerning borrowers under mortgage loans may have an adverse effect on the Bank, including the Bank's financial condition

As of the date of this Prospectus, the Polish main reference rate is 4.75 per cent. According to the Polish Banking Association (in Polish: *Związek Banków Polskich*), the interest rate on the majority of mortgage loans is a floating interest rate, being the sum of WIBOR and an applicable margin. WIBOR reflects the changes in the main reference rate, so reference rate increases have led to an increase of interest rates under mortgage loans in the past.

To alleviate the effect that increased interest has on the financial condition of households, the Polish parliament adopted the Act on Crowdfunding and Supporting Borrowers of 7 July 2022 (in Polish: *Ustawa o finansowaniu społecznościowym dla przedsiębiorców gospodarczych i pomocy kredytobiorcom*, the "**Act on Supporting Borrowers**"), which came into force on 29 July 2022.

In response to the macroeconomic situation and the increase in household financial burdens, regulations were introduced in 2022–2024 allowing consumers to suspend mortgage repayments (so-called credit holidays) for borrowers with mortgage loans denominated in PLN. Although the availability of these solutions varied from year to year, their impact on the Bank's revenues and loan portfolio valuations was significant.

During the suspension period, the borrower was not required to make any payments due to the lender under the loan agreement (including interest, principal, and commissions), except for insurance premiums related to the loan agreement.

The realized loss on 2024 statutory loan holidays amounted to PLN 1,2 million.

The Act on Supporting Borrowers has ceased to apply. However, it cannot be ruled out that the Polish government will decide to further extend the possibility of suspending of loan instalments repayments, which will make it necessary to estimate and account for an additional adjustment and will have a material adverse effect on the Bank's financial condition and results of operations. The suspension of payments under mortgage loans may adversely impact applicable interest coverage limits. The deterioration in the Bank's financial condition may also lead to the Bank breaching the other regulatory requirements and capital ratios applicable to the Bank.

Additionally, the Act on Supporting Borrowers introduced a procedure for replacing WIBOR with a new risk-free reference rate (see risk factor "*The regulation and reform of "benchmarks" may adversely affect the value of Covered Bonds linked to or referencing such "benchmarks"*").

Effect of government policy and regulation and compliance risks

The Bank operates in a heavily regulated sector and is subject to compliance risks in several forms. The most eminent compliance risks identified relate to potential judicial or regulatory penalties resulting from non-compliance with applicable law, including AML/CTF and data protection regulations or from fraudulent activities. Frequent changes and unclear interpretation of such regulations may increase the probability of sanctions, fines or penalties being imposed on the Bank. Any such sanctions, fines or penalties resulting from the Bank's non-compliance with applicable law may damage its reputation and have an adverse effect on its business, financial condition and results of operations.

The Bank is subject to financial services laws, regulations and banking supervision and it is widely expected that there may be a substantial increase in government regulation and the supervision of the financial industry. If any violation of such regulations is detected, this may lead to greater scrutiny by the supervising authority and therefore to an increase in administrative expenses. Furthermore, should orders or fines imposed on the Bank by supervisory authorities become publicly known, this may lead to a loss of confidence among clients and business partners, which may also have a negative effect on the Bank's financial condition and results of operations.

Pursuant to the provisions of the Polish Act on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Restructuring dated 10 June 2016 (*Ustawa z dnia 10 czerwca 2016 r. o Bankowym Funduszu Gwarancyjnym, systemie gwarantowania depozytów oraz przymusowej restrukturyzacji*), members of a mandatory guarantee system are obliged to contribute to a deposit guarantee fund and a resolution fund. If an entity that is a member of the Polish Bank Guarantee Fund (*Bankowy Fundusz Gwarancyjny*) (the “BFG”) is declared bankrupt, other members may be required to make additional one-off payments to cover the liabilities of such entity.

In addition, a Borrowers' Support Fund (*Fundusz Wsparcia Kredytobiorców*) was established pursuant to the Polish Act of 9 October 2015 on the Support of Borrowers in Financial Difficulties who Have Taken Out a Housing Loan (*Ustawa z dnia 9 października 2015 r. o wsparciu kredytobiorców znajdujących się w trudnej sytuacji finansowej, którzy zaciągnęli kredyt mieszkaniowy*) in order to support residential borrowers in financial difficulties. This fund is intended to provide support to natural persons who are unemployed or who find themselves in difficult financial situations or who are required to repay housing loans which significantly encumber their household budgets. The Borrowers' Support Fund is funded predominantly from contributions made by lenders in proportion to their housing loan portfolio for households whose delay in the repayment of principal or interest exceeds 90 days.

If the Bank is required to make substantial contributions to the BFG and the Borrowers' Support Fund, it may have a material adverse effect on the Bank's strategy, its growth potential and profit margins and, consequently, could have a material adverse effect on the Bank's business, financial condition and results of operations.

Banks in Poland are subject to the highest banking tax in the European Union when measured relative to their balance sheet total and operating income. In absolute terms, Germany contributes the highest amount, with Poland ranking closely behind. Furthermore, there is an ongoing risk of the introduction of additional fees or taxes on the banking sector. For instance, in August 2025 the Minister of Finance announced the proposal of an increase of CIT for banks from 2026 on and gradual reduction of special bank tax in the future. These developments may have a significant impact on the profitability and stability of the Polish banking sector in the medium to long term.

The Bank faces legal and regulatory risks from the effects of changes in the laws, regulations, including tax regulations, policies, voluntary codes of practice and interpretations to which it is subject. This is particularly the case in the current market environment, which is witnessing unprecedented levels of government intervention and changes to the regulatory framework for the financial sector such as changes to the Polish pension system, introduction of employee capital plans and changes in the securities law. This is coupled with a number of substantial changes to the current regulatory framework at the global and EU level, including, in particular, capital adequacy, liquidity requirements, financial supervision and bank resolution (as discussed in more detail below). All these matters have, in turn, significantly reduced legal certainty in the financial markets where the Bank operates. Due to the current volatile market environment, future changes to the regulatory framework of the financial sector are difficult to predict, and these changes might have an adverse effect on the Bank's business and/or increase its compliance costs.

Risks relating to the cover pool

Holders of all mortgage covered bonds issued by the Bank and the counterparties to eligible derivative contracts share the same cover pool

The Bank maintains the cover pool for all mortgage covered bonds issued by the Bank, including the Covered Bonds. The Act on Covered Bonds and Mortgage Banks (*ustawa z dnia 29 sierpnia 1997 r. o listach zastawnych i bankach hipotecznych*, the “**Polish Covered Bonds Act**”) does not permit the maintenance of a “variety of pools” for calculation, insolvency or other purposes under Polish law (for example, on an issue-by-issue or a programme-by-programme basis).

The Bank, its cover pool and issuances of covered bonds by the Bank are subject to a number of regulatory restrictions. If the Bank does not originate or acquire a sufficient number of mortgage loans to replace the loans which were included in the cover pool, but were repaid, it is possible that the Bank will not satisfy the statutory overcollateralization requirements. It cannot be excluded that some of the loans in the cover pool might not satisfy all statutory criteria. In such case, the Bank may need to replenish the assets in the cover pools in order to comply with the regulatory requirements concerning the cover pools, which can be done through adding additional eligible loans or by supplying substitute liquid assets. Breach of regulatory requirements concerning the cover pool may also result in disciplinary action from the PFSA, including fines, removal of board members and (in extreme circumstances) commencement of compulsory restructuring.

This means that holders of all mortgage covered bonds issued by the Bank, as well as counterparties to the eligible derivative contracts, have a claim against the same assets in the cover pool. This may have an adverse effect on the investment in the Covered Bonds and investors' return on the Covered Bonds.

Holders of the Covered Bonds will have limited information on loans in the cover pool

This Prospectus provides basic information on the loans in the cover pool as at 30 June 2025. The Bank makes an annual announcement in "*Monitor Sądowy i Gospodarczy*" on the aggregate amount of the Bank's receivables in the cover pool as of the year end. Additionally, the Bank publishes each quarter a cover pool report in accordance with Article 129.7 of the CRR. The cover pool monitor supervises the proper maintenance of the cover pool register, but the results of such inspections are not publicly available. Therefore, it is possible that after the date of this Prospectus the composition of the cover pool will change and these changes may have an adverse effect on the Bank's financial position and ability to perform its obligations under the Covered Bonds.

Termination payments for swaps

If any of the interest rate swaps or the currency swaps are terminated, the Bank may as a result be obliged to make a termination payment to the relevant swap provider. The amount of the termination payment will be based on the cost of entering into a replacement interest rate swap or currency swap, as the case may be. Any termination payment to be made by the Bank to a swap provider of hedging instruments entered in the cover pool will rank *pari passu* with payments due to the holders of the Covered Bonds.

If the Bank fails to make timely payment of amounts due under the relevant swap and any applicable grace period expires, then the Bank will default under the relevant swap. If the Bank defaults under the relevant swap due to non-payment, the relevant swap provider will not be obliged to make any further payments under the relevant swap and may terminate that swap. In such circumstances, the Bank will be exposed to changes in interest rates or currency exchange rates and in the associated interest rates relating to such currencies as applicable. Unless a replacement swap is entered into, the Bank may have insufficient funds to make payments due on the Covered Bonds when payable.

The term of any interest rate swap or currency swap, as applicable, entered into by the Bank is unlikely to extend beyond the Extended Maturity Date of the Covered Bonds to which such swap relates. As such, if the relevant Covered Bonds are not redeemed in full by the applicable Extended Maturity Date, such interest rate swap or currency swap, as applicable, may be terminated and a termination payment may be due to the relevant swap provider. Consequently, holders of the Covered Bonds will be exposed to foreign currency exchange risk after the applicable Extended Maturity Date if the term of the relevant currency swap does not continue past the applicable Extended Maturity Date.

Moreover, there is a risk that the Bank will not be able to enter into a replacement swap after the applicable Extended Maturity Date. Such event may have an adverse effect on the Bank's financial position and ability to perform its obligations under the Covered Bonds.

RISKS RELATING TO THE COVERED BONDS

Risks relating to redemption of the Covered Bonds and bail-in

The Covered Bonds are not subject to early redemption in case of an event of default

The Covered Bonds Holders are not entitled to request redemption of the Covered Bonds prior to the Maturity Date. This also includes non-payment or delay in payment of the interest under the Covered Bonds. Such Covered Bond Holders are therefore limited to collection and enforcement of any claims not satisfied at the Maturity Date.

The Covered Bonds may be subject to early redemption pursuant to Article 21.1 of the Act on Covered Bonds and Mortgage Banks

In certain situations, in order to comply with regulatory limits and requirements set out in Article 18 of the Act on Covered Bonds and Mortgage Banks, the Issuer may redeem all or only some of the Covered Bonds before their Maturity Date. As a result of such redemption, the Covered Bonds Holders may not be able to invest the funds obtained as a result of such redemption in a manner that would ensure a rate of return equal to the rate of return on the redeemed Covered Bonds. Pursuant to Article 21.1 of the Act on Covered Bonds and Mortgage Banks, covered bonds may be redeemed if the maturity date of the covered bonds falls later than five years from the issue date and the purpose of the redemption is to ensure that the issuer complies with Article 18 of the Act on Covered Bonds and Mortgage Banks. Furthermore, redemption is not possible earlier than five years after the issue date and the applicable final terms must explicitly envisage such redemption.

The Covered Bonds may be subject to a mandatory bail-in tool

The obligations of the Bank under the Covered Bonds may be subject to compulsory write-down or conversion into equity to the extent the value of the cover pool is not sufficient to satisfy all claims under the mortgage covered bonds issued by the Bank. Such event may have an adverse effect on the investment in the Covered Bonds and investors' return on the Covered Bonds.

Extension of maturity in case of bankruptcy

Upon a Bankruptcy Event of the Bank (as defined in Condition 5(d)), the maturity of all outstanding covered bonds issued by the Bank, including the Covered Bonds, will automatically be extended by 12 months (the “**Extended Maturity Date**”). While interest under all of the Bank’s covered bonds (including the Covered Bonds) will continue to be payable in the manner and on the dates indicated in the Terms and Conditions of the Covered Bonds and the applicable Final Terms, a Bankruptcy Event may affect the timing and amount of principal to be paid to Covered Bond Holders.

On the date of a Bankruptcy Event, the bankruptcy court will appoint a bankruptcy receiver (*syndyk*) who will assume responsibility for the administration of the Bank’s assets. Within three months of the Bankruptcy Event, the bankruptcy receiver must conduct, in accordance with the Bankruptcy Law: (i) a coverage test (*test równowagi pokrycia*) to determine whether the assets forming a separate bankruptcy asset pool (*osobna masa upadłości*) of the Bank are sufficient to satisfy all of the Bank’s obligations towards all holders of outstanding covered bonds (including the Covered Bonds) issued by the Bank; and (ii) a liquidity test (*test płynności*) to determine whether the assets forming a separate bankruptcy asset pool of the Bank are sufficient to fully satisfy all of the Bank’s obligations towards all holders of outstanding covered bonds issued by the Bank taking into account the Extended Maturity Dates of all outstanding covered bonds (including the Covered Bonds) issued by the Bank.

If the results of both the coverage test and the liquidity test are positive, the claims of the holders of the Covered Bonds for the repayment of principal will be satisfied in accordance with the Terms and Conditions of the Covered Bonds and the applicable Final Terms up to the Extended Maturity Date.

If the result of the coverage test is positive but the result of the liquidity test is negative, or if the result of the coverage test is negative, the maturity of the Covered Bonds will be extended by three years from the latest maturity date of a receivable in the cover pool.

In certain circumstances provided by Polish law, the claims of the holders of the Covered Bonds for the payment of principal may be satisfied sooner than the applicable extended maturity dates pursuant to pass-through procedures from the receivables in the cover pool.

In addition, the holders of all outstanding covered bonds issued by the Bank may, by a vote of holders representing two-thirds of the aggregate principal amount of all outstanding covered bonds of the Bank, adopt resolutions requesting the bankruptcy receiver to sell the cover pool (Condition 5(d) “*Redemption of the Covered Bonds in the event of the Bank’s Bankruptcy and appointment of a Trustee*”).

Other circumstances may affect the timing and amount of principal to be paid to Covered Bond Holders. For further details, see Condition 5(d) “*Redemption of the Covered Bonds in the event of the Bank’s Bankruptcy and appointment of a Trustee* of the Terms and Conditions of the Covered Bonds.

Additionally, filing a motion to declare a mortgage bank bankrupt results in a suspension of the mortgage bank’s operations for approximately two months. Suspension of the mortgage bank’s operations may further affect the timing of payments to be made to Covered Bond Holders.

Risks relating to listing of the Covered Bonds

The Covered Bonds trading on the WSE may be suspended

In accordance with Article 18a of the Act on Trading in Financial Instruments dated 29 July 2005 (*ustawa z dnia 29 lipca 2005 r. o obrocie instrumentami finansowymi*), when trading in specific securities is conducted in circumstances indicating a possible threat to the proper functioning of the regulated market of the WSE or the security of trading on that market, or a violation of investors’ interests, at the request of the PFSA, the company operating the relevant Regulated Market shall suspend trading in those securities for a period not exceeding one month.

Furthermore, the WSE’s Management Board may suspend trading in Covered Bonds under the conditions and upon fulfillment of the prerequisites specified in the WSE regulated market rules.

The process of admission and listing of the PLN Covered Bonds on the regulated market (parallel market) of the WSE may be prolonged

The admission and introduction of the PLN Covered Bonds to trading on the regulated market (parallel market) of the Warsaw Stock Exchange is subject to the consent of the Management Board of the WSE and the registration of the PLN Covered Bonds in the depository system operated by the NDS. Such consent and registration may be obtained if the Bank and the PLN Covered Bonds satisfy all the legal requirements, specifically, those set forth in the applicable laws as well as in the respective regulations of the WSE and the NDS. Some of the criteria with respect to the admission and introduction of the Covered Bonds to trading on the regulated market are discretionary and left to the WSE to assess.

The Bank cannot guarantee that such criteria will be satisfied and/or these approvals and consents will be obtained and that the PLN Covered Bonds will be admitted and introduced to trading on the regulated market of the WSE in a timely manner, which might affect the liquidity of the PLN Covered Bonds in that period.

Risks relating to interest rates and benchmarks

Changes in interest rates may affect the investors' return on the Covered Bonds

Interest rate risk is one of the central risks of interest-bearing securities and, therefore, applies to all Covered Bonds which bear interest. The interest rate level may fluctuate on a daily basis and cause the value of the Covered Bonds to change on a daily basis. Interest rate risk is a result of the uncertainty with respect to future changes of the market interest rate level. In general, the effects of this risk increase as the market interest rates increase.

The regulation and reform of "benchmarks" may adversely affect the value of Covered Bonds linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including the euro interbank offered rate ("EURIBOR") and WIBOR) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Covered Bonds referencing such a benchmark.

The EU Benchmark Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it: (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed); and (ii) prevents certain uses by EU supervised entities (such as the Bank) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Since it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**"), the EU Benchmark Regulation, among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK-supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority (the "**FCA**") or registered in the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmark Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Covered Bonds linked to or referencing a benchmark, in particular if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmark Regulation and/or the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

In July 2022, the national working group for the reform of benchmarks (the "**Working Group**") was established in Poland to determine the benchmark that will replace WIBOR. The Working Group is composed of representatives of the Ministry of Finance, the NBP, the PFSA and the largest Polish financial institutions. On 28 September 2022, the Working Group announced a roadmap for phasing out WIBOR and replacing it with a new benchmark, the Warsaw Interest Rate Overnight ("**WIRON**"). On 10 December 2024, the Working Group announced that WIRON will no longer be the benchmark replacing WIBOR. Instead, WIBOR will be replaced with another benchmark, the Polish Short-Term Rate ("**POLSTR**"). On 28 March 2025, the Steering Committee of the Working Group approved the updated roadmap for the replacement of the WIBOR and WIBID benchmarks with POLSTR. The official designation of the POLSTR and the indices from the POLSTR Composite Index Family began on 2 June 2025. The roadmap for introducing POLSTR assumes that financial products based on POLSTR will be introduced in the first half of 2026 and WIBOR will be withdrawn by the end of 2027.

The euro risk-free rate working group for the euro area has published a set of guiding principles and high-level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including covered bonds) referencing EURIBOR. The guiding principles indicate, among others, that continuing to reference EURIBOR in contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates and, on 4 May 2023, the working group published further guidance for corporate lending products for implementing the recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations could have a material adverse effect on the value of and return on any Covered Bonds linked to, referencing, or otherwise dependent (in whole or in part) upon a benchmark and on the Bank's interest income.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmark Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or

national reforms and the possible application of the benchmark replacement provisions of Covered Bonds in making any investment decision with respect to any Covered Bonds referencing a benchmark.

Future unavailability or discontinuance of EURIBOR or WIBOR may adversely affect the value of Floating Rate Covered Bonds which reference, respectively, EURIBOR or WIBOR

Due to the uncertainty concerning the ongoing reform of EURIBOR replacement, the increased regulatory scrutiny of benchmarks generally and the potential for further regulatory developments, there is a risk that the relevant EURIBOR replacement or fallback provisions included in the Terms and Conditions may not operate as intended at the relevant time. These factors could also increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any applicable regulations or requirements and, in consequence, discourage market participants from continuing to administer or contribute to benchmarks. Any such consequence could have a material adverse effect on the value of and return on the Covered Bonds, which reference EURIBOR.

According to the EU Benchmark Regulation, subject to a transitional period, a supervised entity (such as the Bank) may use a benchmark in the EU if it is developed by an administrator established or resident in the EU and entered in a register kept by the ESMA. WIBOR has been a key benchmark since the entry into force of Commission Implementing Regulation (EU) 2019/482, i.e., since 26 March 2019. On 16 December 2020, the PFSA authorised GPW Benchmark S.A. to operate as an administrator of WIBOR.

The EU Benchmark Regulation may have a significant impact on the Covered Bonds with a variable interest rate, for which the interest rate is determined by reference to the WIBOR rate, in particular, if the methodology for calculating this rate or other rules for its development change in order to adapt them to the requirements of the EU Benchmark Regulation or the WIBOR rate is no longer published. These changes may have the effect of lowering or increasing the level of the reference index which forms the basis for setting the interest rate for Floating Rate Covered Bonds.

Any of the above or any other significant changes to WIBOR, EURIBOR or any other applicable benchmark could have a material adverse effect on the value or liquidity of, and the amount payable on, Floating Rate Covered Bonds whose rate of interest is linked to such benchmark.

Other risks relating to the Covered Bonds

Currency risk

The Bank will pay principal and interest on the Covered Bonds in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Covered Bonds; (ii) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds; and (iii) the Investor's Currency-equivalent market value of the Covered Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Bank to make payments in respect of the Covered Bonds. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Any of the above may have an adverse effect on the value of an investor's investment in the Covered Bonds or the return on the Covered Bonds.

Inflation risk

Inflation risk is the risk of future depreciation of money. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on a Covered Bond.

If the inflation rate is equal to or higher than the nominal yield of a Covered Bond, the real yield is zero or even negative and investors may receive no or negative returns on Covered Bonds.

An active secondary market in respect of the Covered Bonds may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Covered Bonds

There can be no assurance that a liquid secondary market for the Covered Bonds will develop or, if it does develop, that it will continue. The fact that the Covered Bonds may be listed does not necessarily lead to greater liquidity than if they were not listed. If the Covered Bonds are not listed on any exchange, pricing information for such Covered Bonds may be more difficult to obtain, which may affect the liquidity of the Covered Bonds adversely. In an illiquid market, an investor might not be able to sell his Covered Bonds at any time at fair market prices. The possibility to sell the Covered Bonds might additionally be restricted due to currency restrictions.

The application of the net proceeds of Covered Bonds with a specific use of proceeds, such as ‘Green Covered Bonds,’ may not meet investor expectations or be suitable for an investor’s investment criteria

The relevant Final Terms relating to any specific Tranche of Covered Bonds may provide that it will be the Bank’s intention to apply the proceeds from an offer of those Covered Bonds specifically to refinance existing loans in the cover pool or acquire new loans which, in each case, are secured over energy efficient residential buildings (“**Mortgage Loans Supporting Sustainable Development**”) and the Covered Bonds issued thereunder, “**Green Covered Bonds**”).

The Mortgage Loans Supporting Sustainable Development will be included in the cover pool together with other mortgage loans which are not Mortgage Loans Supporting Sustainable Development. Accordingly, prospective investors will have a claim against the entire cover pool, without having a preferential claim on the Mortgage Loans Supporting Sustainable Development over and above other investors.

While it is the intention of the Bank to apply the net proceeds of any Green Covered Bonds and obtain and publish the relevant evaluation in the manner described in the section “*Use of Proceeds*,” there can be no assurance that the Bank will be able to do this. Any negative change or withdrawal of such evaluation may have a material adverse effect on the value of such Green Covered Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Fixed Rate Covered Bonds

The holder of a Covered Bond with a fixed rate of interest (“**Fixed Rate Covered Bonds**”) is exposed to the risk that the price of such Covered Bond will fall as a result of changes in the market interest rate. While the nominal interest rate of a Fixed Rate Covered Bond as specified in the applicable Final Terms is fixed during the life of such Covered Bond, the current interest rate on the capital markets (“**market interest rate**”) typically changes on a daily basis. As the market interest rate changes, the price of a Fixed Rate Covered Bond also changes, but in the opposite direction.

Changes in the market interest rate may adversely affect the value of Fixed Rate Covered Bonds.

Floating Rate Covered Bonds

The holder of a Covered Bond with a floating rate of interest (“**Floating Rate Covered Bonds**”) is exposed to the risk of fluctuating reference rates such as the EURIBOR or WIBOR, as applicable, and uncertain interest income. Fluctuating reference rate levels make it impossible to determine the yield of Floating Rate Covered Bonds in advance.

Furthermore, where the Floating Rate Covered Bonds do not provide for a minimum rate of interest above zero per cent., investors may not receive any interest payments during one or more interest periods if the applicable reference rate decreases or increases (in the case of Reverse Floating Rate Covered Bonds (as defined below)) to a certain level.

In case of a low floating rate of interest and where an investor purchases Covered Bonds at an issue price (including any fees or transaction costs in connection with such purchase) higher than or equal to the sum of the redemption amount of the Covered Bonds and all remaining interest payments on the Covered Bonds until the maturity date, the investor may receive no yield or a negative yield.

Fixed to Floating Rate Covered Bonds

The Holder of a Covered Bond issued with a fixed interest rate and a floating interest rate (“**Fixed to Floating Rate Covered Bonds**”) is exposed to both risks relating to Fixed Rate Covered Bonds (see “*Fixed Rate Covered Bonds*”) and risks relating to Floating Rate Covered Bonds (see “*Floating Rate Covered Bonds*”).

Zero Coupon Covered Bonds

Zero Coupon Covered Bonds do not pay current interest but are issued at a discount from their nominal value. The difference between the redemption price and the issue price constitutes interest income until maturity and reflects the market interest rate. The Holder of a Zero Coupon Covered Bond is exposed to the risk that the price of such Covered Bond will fall as a result of changes in the market interest rate. Prices of Zero Coupon Covered Bonds are more volatile than prices of Fixed Rate Covered Bonds and are likely to fluctuate more in relation to market interest rate changes than interest-bearing Covered Bonds with a similar maturity.

Meetings of Holders of Covered Bonds

The Terms and Conditions of the Covered Bonds contain provisions for calling meetings of their respective Covered Bond holders to consider matters affecting their interests in general. These provisions permit defined majority decisions to bind all Covered Bond holders who did not attend and vote at the relevant meeting and Covered Bond holders who voted in a manner contrary to the majority. As a result, Covered Bond holders can be bound by the result of a vote that they voted against.

Additionally, under the Polish Act on Bonds, resolutions of meetings of holders of listed Covered Bonds amending the provisions of the Conditions or the Final Terms concerning: (i) the amounts payable by the Bank under the Covered Bonds, the manner of determining these amounts, including conditions of payment of interest; (ii) the dates, place and the manner

of making payments under the Covered Bonds and the dates on which persons entitled to receive payments under the Covered Bonds are determined; (iii) convening, holding and adopting resolutions by the meeting of holders; and (iv) lowering the principal amount of the Covered Bonds require the consent of all holders attending the meeting and the consent of the Bank. This means the Bank or a holder of a single Covered Bond may prevent an amendment to the Conditions or the Final Terms which would be beneficial for a majority of holders of the Covered Bonds.

Eurosystem Eligibility

The applicable Final Terms will indicate whether the Covered Bonds are intended or not intended to be held in a manner which is recognised as eligible collateral in accordance with Eurosystem's monetary policy and intra-day credit operations either upon issue or while still outstanding. However, such recognition will depend upon satisfying the Eurosystem's eligibility criteria, as applied from time to time by the European Central Bank. Therefore, it cannot be excluded that the Covered Bonds will not satisfy such criteria, which may have an adverse effect on investor demand for the Covered Bonds.

The Risk Factors described above are the risks the Bank considers to be material for making an informed investment decision in respect of the Covered Bonds based on the probability of their occurrence and the expected magnitude of their negative impact. Additional risks and uncertainties may also arise or become more material after the date of this Prospectus, which could also have a material impact on the Bank's business operations in the future.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been filed with the CSSF and shall be incorporated in, and form part of, this Base Prospectus as described below:

- (a) the English translation of the audited financial statements of the Bank for the first half of the year ended 30 June 2025 (https://www.millenniumbh.pl/documents/d/bankhipoteczny/SF_MBH_2025_6M_ENG):
- | | |
|------------------------------------|-------------|
| Statement of comprehensive income: | Page 4 |
| Statement of financial position: | Page 5 |
| Statement of changes in equity: | Page 7 |
| Statement of cash flows: | Page 8 |
| Notes to the financial statements: | Pages 26-40 |
- (b) the English translation of the audit report prepared in connection with the audited financial statements of the Bank for the first half of the year ended 30 June 2025 (https://www.millenniumbh.pl/documents/d/bankhipoteczny/RzP_MBH_06_2025_ENG)
- (c) the English translation of the audited financial statements of the Bank for the year ended 31 December 2024 (https://www.millenniumbh.pl/documents/d/bankhipoteczny/SF_MBH_2024_12M_ENG):
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|------------------------------------|-------------|
| Statement of comprehensive income: | Page 4 |
| Statement of financial position: | Page 5 |
| Statement of changes in equity: | Page 6 |
| Statement of cash flows: | Page 7 |
| Notes to the financial statements: | Pages 36-49 |
- (d) the English translation of the audit report prepared in connection with the audited financial statements of the Bank for the year ended 31 December 2024 (https://www.millenniumbh.pl/documents/d/bankhipoteczny/SzB_MBH_SA_2024_ENG)
- (e) the English translation of the audited financial statements of the Bank for the year ended 31 December 2023 (https://www.millenniumbh.pl/documents/d/bankhipoteczny/SF_MBH_2023_12M_ENG):
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|------------------------------------|-------------|
| Statement of comprehensive income: | Page 4 |
| Statement of financial position: | Page 5 |
| Statement of changes in equity: | Page 6 |
| Statement of cash flows: | Page 7 |
| Notes to the financial statements: | Pages 39-52 |
- (f) the English translation of the audit report prepared in connection with the audited financial statements of the Bank for the year ended 31 December 2023 (https://www.millenniumbh.pl/documents/d/bankhipoteczny/SzB_MBH_SA_2023_ENG)

In addition to the above, any future income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, in each case contained in the reviewed interim condensed financial statements and/or audited financial statements of the Bank and any auditors' review report or auditors' report thereon, as and when published by the Bank from time to time on or after the date of this Base Prospectus on the Bank's website (<https://www.millenniumbh.pl>), shall be deemed to be incorporated by reference in, and form part of, this Base Prospectus.

Pursuant to Article 19(1) of the Prospectus Regulation, any non-incorporated parts of a document referred to herein are either deemed not relevant for the investor or covered in another part of the Base Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus. The Bank accepts responsibility as to the accuracy and completeness of any translations into English set out in any documents incorporated by reference in this Base Prospectus.

All documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange at: <https://www.luxse.com>. Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Bank and from the specified office of the Paying Agent for the time being in Luxembourg.

USE OF PROCEEDS

The net proceeds from each issue of Covered Bonds will be applied by the Bank for its statutory purposes.

If, in respect of any particular issue, there is a particular identified use of proceeds other than using the net proceeds for the Bank's general corporate purposes, then this will be stated in the relevant Final Terms. In any case, the Bank is free in the use of the proceeds from each issue of the Covered Bonds.

Where "Green Covered Bonds" is specified in the applicable Final Terms, the allocation of an amount equal to the net proceeds from such issue will be made to projects determined to be eligible under the Group's Green Bond Framework ("**Green Bond Framework**") published on Bank Millennium's website: https://www.bankmillennium.pl/documents/d/guest/bank_millennium_group_green_bond_framework_21-08-2024, which can be subsequently amended or restated.

Net proceeds raised through Green Covered Bonds issuances under this Framework will be exclusively allocated to new and/or existing loans ("**Eligible Assets**"), which are identified to have a positive environmental impact and fall within eligible categories listed in point 3.2.1 (*Eligible Categories*) of the Green Bond Framework.

The eligible categories are:

Electricity generation using solar photovoltaic technology	Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology
Electricity generation from wind power	Construction or operation of electricity generation facilities that produce electricity from wind power
Construction of new buildings.....	Development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to realise the building projects for later sale as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis
Renovation of existing buildings	Construction and civil engineering works or preparation thereof
Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on-site
Acquisition and ownership of buildings	Buying real estate and exercising ownership of that real estate

Eligible Assets are aligned as much as possible with the EU Regulation 2020/852 ("**EU Taxonomy**") and more specifically with the first EU environmental goal as defined in Article 10 of the EU Taxonomy ("**Climate Change Mitigation**"). This means for all Eligible Assets that as a minimum, they meet the criteria for substantial contribution to Climate Change Mitigation and the technical screening criteria as defined in each subchapter of the Annex I of the EU Delegated Regulation 2021/2139 ("**Annex 1**"). Regarding the other two criteria that are required to make an Eligible Assets fully aligned with the EU Taxonomy, i.e. *Do No Significant Harm* and *Minimum Safeguards*, the Bank will try to fulfil them on a best effort basis. Also, residential buildings may be assessed based on the year of their construction and energy demand.

The Eligible Assets are to be funded in whole or in part by an allocation of the Green Covered Bonds proceeds.

The Issuer intends to manage the net proceeds from each issue of Green Covered Bonds through a "portfolio approach" by allocating an amount equivalent to such net proceeds to the Eligible Assets Portfolio, as described in the Green Bond Framework. The Issuer intends to publish on its website (<https://www.millenniumbh.pl>) an allocation report and impact report with respect to the Eligible Assets Portfolio from one year from the issue date of the first tranche of Green Covered Bonds. Such reports will be published annually until the net proceeds of any such Green Covered Bonds have been allocated in full and will contain items set out in the Green Bond Framework. The Issuer may appoint an external expert to provide a limited assurance report on the impact and allocation reports.

On 2 September 2024, Sustainalytics, an external environmental, social and corporate governance research and analysis provider, issued the Second-Party Opinion (the "**Second-Party Opinion**") confirming that the Group's Green Bond Framework is aligned with the Green Bond Principles 2021 issued by the International Capital Market Association (ICMA).

The Second-Party Opinion is available on the Bank Millennium's website: https://www.bankmillennium.pl/documents/d/guest/bank_millennium_group_green_bond_framework_second_party_opinion_02_09_2024.

For the avoidance of doubt, other than in relation to the documents which are deemed to be incorporated by reference (see "Documents Incorporated by Reference"), the information on the websites to which this Base Prospectus refers (including the Green Bond Framework, any report (including the allocation report and impact report referred to above), assessment, opinion or certification in relation thereto (including the Second-Party Opinion)) shall not be incorporated by reference in, and does not form part of, this Base Prospectus.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Bank) which may be made available in connection with the issue of any Green Covered Bonds and in particular with any assets in the Eligible Assets Portfolio to fulfil any environmental, sustainability, social and/or other criteria. Neither such opinion or certification nor the Green Bond Framework are, nor should be deemed to be, a recommendation by the Bank or any of the Dealers or any other person to buy, sell or hold any such Green Covered Bonds. Any such opinion or certification is only current as at the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Covered Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors in any Green Covered Bonds should also refer to the risk factor above headed “The application of the net proceeds of Covered Bonds with a specific use of proceeds, such as ‘Green Covered Bonds’ may not meet investor expectations or be suitable for an investor’s investment criteria.”

FORM OF THE COVERED BONDS

Each Tranche of Covered Bonds will be in bearer form and, with respect to Covered Bonds other than the PLN Covered Bonds, which will be issued in dematerialised form, will be initially issued in the form of a temporary global covered bond (a “**Temporary Global Covered Bond**”) or, if so specified in the applicable Final Terms, a permanent global covered bond (a “**Permanent Global Covered Bond**”) which, in either case, will:

- (a) if the Global Covered Bonds are intended to be issued in new global covered bond (“**NGCB**”) form, as stated in the applicable Final Terms, be delivered on or prior to the Issue Date of the Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear and Clearstream, Luxembourg;
- (b) if the Global Covered Bonds are not intended to be issued in NGCB form, be delivered on or prior to the Issue Date of the Tranche to a common depositary (the “**Common Depositary**”) for Euroclear and Clearstream, Luxembourg.

Where the Global Covered Bonds issued in respect of any Tranche are in NGCB form, the applicable Final Terms will also indicate whether such Global Covered Bonds are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Covered Bonds are to be so held does not necessarily mean that the Covered Bonds of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGCBs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms. Each Temporary Global Covered Bond (if it will not be exchanged) and/or Permanent Global Covered Bond will be kept in custody by or on behalf of a Common Safekeeper until all obligations of the Bank under the Covered Bonds have been satisfied. While any Covered Bond is represented by a Temporary Global Covered Bond, payments of principal, interest (if any) and any other amount payable in respect of the Covered Bonds due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Covered Bond if the Temporary Global Covered Bond is not intended to be issued in NGCB form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Covered Bond are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the “**Exchange Date**”) which is 40 days after a Temporary Global Covered Bond is issued, interests in such Temporary Global Covered Bond will be exchangeable (free of charge) upon a request as described therein for interests in a Permanent Global Covered Bond of the same Series. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond for an interest in a Permanent Global Covered Bond is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Covered Bond will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Covered Bond if the Permanent Global Covered Bond is not intended to be issued in NGCB form) without any requirement for certification.

The applicable Final Terms will specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (“**TEFRA C**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (“**TEFRA D**”) are applicable in relation to the Covered Bonds or, if the Covered Bonds do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Where TEFRA D is specified in the applicable Final Terms, the following legend will appear on the applicable Permanent Global Covered Bond:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Covered Bonds and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Covered Bonds or interest.

Covered Bonds which are represented by a Global Covered Bond will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Covered Bonds*”), the Agent (as defined under “*Terms and Conditions of the Covered Bonds*”) shall arrange that, where a further Tranche of Covered Bonds is issued which is intended to form a single Series with an existing Tranche of Covered Bonds at a point after the Issue Date

of the further Tranche, the Covered Bonds of such further Tranche shall be assigned, if so required, a common code and ISIN which are different from the common code and ISIN assigned to Covered Bonds of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Covered Bonds of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

The PLN Covered Bonds

If so specified in the applicable Final Terms and for the purpose of allowing the clearing of PLN Covered Bonds in the Polish clearing system operated by the NDS, any Series may, in full but not in part, be issued in uncertificated and dematerialised book-entry form (dematerialised securities) in accordance with all applicable Polish laws and the rules and regulations of the NDS (the “**NDS Rules**”).

In such a case, the PLN Covered Bonds will be either: (i) first registered in the records of persons entitled from securities (*ewidencja osób uprawnionych z papierów wartościowych*) created and maintained by Bank Millennium as the issue agent (*agent emisji*) (the “**Polish Issue Agent**”) referred to in Article 7a of the Act on Trading in Financial Instruments, and subsequently registered in the depository system maintained by the NDS as the primary depository; or (ii) registered directly in the depository system maintained by the NDS in accordance with the relevant NDS Rules (delivery versus payment). Such PLN Covered Bonds will be accepted for clearance in the depository system maintained by the NDS. Payments on the PLN Covered Bonds referred to in this paragraph will be made through the NDS in accordance with the applicable NDS Rules. Following their registration in the depository system maintained by the NDS as the primary depository, the PLN Covered Bonds may also be registered in any other clearing system, including Euroclear or Clearstream, Luxembourg, as secondary depository.

No Temporary Global Covered Bonds, Permanent Global Covered Bonds, coupons, receipts, talons or certificates will be issued in respect of the PLN Covered Bonds and the provisions relating to presentation, surrender or replacement of such physical bearer instruments shall not apply.

If in the relevant Final Terms concerning the PLN Covered Bonds the Common Code, the International Securities Identification Number (ISIN), CFI and/or FISN are designated as “Not applicable” it means that this information will be available following the registration of the PLN Covered Bonds in the depository system operated by the NDS, except for the situation where the PLN Covered Bonds are registered only in the depository system maintained by the NDS, in which case the Common Code will not be available.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Series/Tranche of Covered Bonds issued under the Programme.

[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 (the “**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 (as amended or re-enacted, “**MiFID II**”); (ii) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the “**Insurance Distribution Directive**”), 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 Regulation 2017/1129/EU (as amended, the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, 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.]

[PROHIBITION OF SALES TO UK 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 United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[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.]

[UK MIFIR 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); 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 the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) 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.]

[Date]

MILLENNIUM BANK HIPOTECZNY S.A.

Legal entity identifier (LEI): 259400GY0GUD59VMV94

a joint stock company (*spółka akcyjna*) with its registered office in Warsaw, Poland at ul. Stanisława Żaryna 2A, 02-593 Warsaw, entered into the register of entrepreneurs of the National Court Register (*Krajowy Rejestr Sądowy*) kept by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under KRS number 0000852039, REGON number 386797947 and NIP number 521-390-45-67

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]
under the EUR 3,000,000,000
Programme for the issuance of Covered Bonds (*hipoteczne listy zastawne*)**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 30 September 2025 [and the supplement[s] to it dated [] [and []], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (Regulation 2017/1129/EC) (the “**Prospectus Regulation**”) as amended to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the “**Base Prospectus**”). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Bank and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the Luxembourg Stock Exchange website (<https://www.luxse.com>) and on the website of the Bank (<https://www.millenniumbh.pl>).

1. (a) Series Number: []
 (b) Tranche Number: []
 (c) Date on which the Covered Bonds will be consolidated and form a single Series: [The Covered Bonds will be consolidated and form a single Series with] *[identify issue amount/ISIN/maturity date/issue date of earlier Tranche(s)]* on [the Issue Date/the exchange date of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond which is expected to occur on or about *[date]*][Not Applicable]
2. Specified Currency: [] *(N.B. in case of PLN Covered Bonds, PLN only)*
3. Aggregate Nominal Amount:
 (a) Series: []
 (b) Tranche: []
 (c) Issue Price (per Covered Bond): [] per cent. of the Aggregate Nominal Amount of the Tranche [plus accrued interest amounting to *[insert Specified Currency and amount of accrued interest]* for *[insert number of days]* days for the period from, and including [the Interest Commencement Date]*[insert date]* to, but excluding [the Issue Date] *[insert date]*]
(Zero Coupon Covered Bonds can be issued only at a discount.)
4. (a) Specified Denominations: []
(Covered Bonds of each Series must have only one Specified Denomination with a minimum denomination of at least €100,000 (or equivalent)).
 (b) Calculation Amount: []
(Insert the relevant Specified Denomination.)
5. (a) Issue Date: []
 (b) Interest Commencement Date: *(An Interest Commencement Date will not be relevant for certain Covered Bonds, for example Zero Coupon Covered Bonds.)*
 Period to Maturity Date: *[Specify/Issue Date/Not Applicable]*
 Period from Maturity Date to Extended Maturity Date or Additionally Extended Maturity Date: *[Specify/Maturity Date/Not Applicable]*
6. Maturity Date: *[Specify date or for Floating Rate Covered Bonds – Interest Payment Date falling in or nearest to *[specify month and year]*]*
7. Interest Basis:
 Period to Maturity Date: *[] per cent. per annum Fixed Rate*
[[] month [WIBOR/EURIBOR] +/- [] per cent. Floating Rate
[Zero Coupon]
(see paragraph [10]/[11]/[12(a)] below)
 Period from Maturity Date to Extended Maturity Date or Additionally Extended Maturity Date: *[] per cent. per annum Fixed Rate*
[[] month [WIBOR/EURIBOR] +/- [] per cent. Floating Rate
[Zero Coupon]
(see paragraph [10]/[11]/[12(a)] below)

8. Change of Interest Basis [For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph [10/11] applies and for the period from (and including) [date], up to (and including) the Maturity Date, paragraph [10/11] applies] [Not Applicable]
9. Date of Management Board approval for issuance of Covered Bonds obtained: [] [and []], respectively]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

10. Fixed Rate Covered Bond Provisions [Applicable [until/from [] to []]/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]
(Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s): [[] per Calculation Amount/Not Applicable]
- (d) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []/Not Applicable]
- (e) Day Count Fraction: [Actual/Actual (ICMA)]
 [30/360]
- (f) Determination Date(s): [] in each year [Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case insert regular interest payment dates, ignoring issue date or maturity date in the case of long or short first or last coupon.)
- (g) Party responsible for calculating amounts payable: [[●]]/[Bank Millennium S.A. (N.B. in case of PLN Covered Bonds only)]/[specify other]
11. Floating Rate Covered Bond Provisions [Applicable [until/from [] to []]/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: [] subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not applicable]
- (c) Relevant Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount: [[●]]/[Bank Millennium S.A. (N.B. in case of PLN Covered Bonds only)]/[specify other]
- (f) Screen Rate Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining items of this subparagraph)
- Reference Rate: [] month [[WIBOR]/[EURIBOR]].
- Interest Determination Date(s): []
(Third Warsaw business day prior to the start of each Interest Period if WIBOR and the second day on which T2 is open prior to the start of each Interest Period if EURIBOR)
- Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate)

- Reference Banks: ☐
- (g) ISDA Determination: ☐ [2006 ISDA Definitions]/[2021 ISDA Definitions]
- ISDA Definitions: ☐
- Floating Rate Option: ☐
(If “2021 ISDA Definitions” is selected, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions))
- Designated Maturity: ☐/[Not Applicable]
(Ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions))
- Reset Date: ☐
(In the case of a EURIBOR-based option, the first day of the Interest Period)
- Compounding: ☐[Applicable/Not Applicable]
(If not applicable, delete the remaining items of this subparagraph)
- Compounding method: ☐[Compounding with Lookback
 Compounding with Lookback Period: ☐[Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
☐[Compounding with Observation Period Shift
 Compounding with Observation Shift Period: ☐[Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
 Set-in-Advance: ☐[Applicable/Not Applicable]
☐[Compounding with Lockout
 Compounding with Lockout Period: ☐[Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
☐[IOS Compounding]]
- ISDA Benchmarks Supplement: ☐[Applicable]/[Not Applicable]
(N.B.: Not applicable in the case of 2021 ISDA Definitions.)
- (h) Linear Interpolation ☐[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (i) Margin(s): ☐[+/-][] per cent. per annum
- (j) Minimum Rate of Interest: ☐[] per cent. per annum]/[Not Applicable]
- (k) Maximum Rate of Interest: ☐[] per cent. per annum]/[Not Applicable]
- (l) Day Count Fraction: ☐[Actual/Actual (ISDA)]/[Actual/Actual]
☐[Actual/365 [(Fixed)]]
☐[Actual/365 (A´KK)]
☐[Actual/365 (Sterling)]
☐[Actual/360]
☐[30/360]/[360/360]/[Bond Basis]

[30E/360][Eurobond Basis]

[30E/360 (ISDA)]

12. Zero Coupon Covered Bond Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []

PROVISIONS RELATING TO REDEMPTION

13. Final Redemption Amount of each Covered Bond: [] per Calculation Amount
(N.B.: the Final Redemption Amount shall be at least equal to the nominal value of each Covered Bond))
14. Early Redemption of Covered Bonds Pursuant to Article 21.1 of the Act on Covered Bonds and Mortgage Banks: [Applicable/Not Applicable]
(This paragraph may apply only if the Maturity Date of the Covered Bonds falls later than five years from the Issue Date. If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
(N.B.: the Final Redemption Amount shall be at least equal to the nominal value of each Covered Bond))
- (c) If redeemable in part:
- Minimum Redemption Amount: []
- Maximum Redemption Amount: []
- (d) Notice period: []
(N.B.: when setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Principal Paying Agent)

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

15. Relevant Financial Centre(s) or other special provisions relating to Payment Dates: [Warsaw] / [Brussels] / [Luxembourg] / [Not Applicable] / []
(Note that this item relates to the date of payment as referred to under Condition 4(c))

MISCELLANEOUS

16. Type of Covered Bonds: Mortgage covered bonds (*hipoteczne listy zastawne*)
17. Form of Covered Bonds:
- (a) Form: [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond]
/[Permanent Global Covered Bond]/[Dematerialised form]
- (b) New Global Note (NGCB): [Yes/No/Not applicable]
18. European Covered Bonds (Premium) [Yes/No]
(If Covered Bonds comply with the requirements set out in Article 129 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 then "Yes" should be specified)

19. PLN Covered Bonds

[Yes]/[No]

Signed on behalf of the Bank:

By:

Duly authorised

By:

Duly authorised

MILLENNIUM BANK HIPOTECZNY S.A.

By:

Duly authorised

COVER POOL MONITOR OF MILLENNIUM BANK HIPOTECZNY S.A.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Luxembourg / Warsaw / None / *specify other*]
- (ii) Admission to trading: [Application [has been]/[will be] made for the Covered Bonds to be admitted to trading on [the official list of the Luxembourg Stock Exchange / Warsaw Stock Exchange [as soon as reasonably practicable after the Issue Date] / *specify other*] with effect from [].]/[Not Applicable.]”

2. RATINGS

- Ratings: [The Covered Bonds to be issued [[have been]/[are expected to be]] rated *[insert details]* by *[insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms]*. Each of *[defined terms]* is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). The list of registered and certified rating agencies is published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.]/[Not Applicable.]
- [Need to include a brief explanation of the ratings if this has previously been published by the rating provider.]
- (The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUES

- [Save for the fees [of *[insert relevant fee disclosure]*] payable to the [Managers/Dealers], so far as the Bank is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer.] The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Bank and its affiliates in the ordinary course of business.] *[Amend as appropriate if there are other interests]*
- [(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]*

4. USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND EXPENSES RELATING TO ADMISSION TO TRADING

- (i) Use of proceeds *[See ["Use of Proceeds"] in the Base Prospectus/ [The net proceeds from the issue of Covered Bonds will be applied by the Issuer for [specify use of proceeds/General Corporate Purposes]/[The Covered Bonds are intended to be issued as Green Covered Bonds, [further particulars to be provided]]]*
- (ii) Estimated net proceeds []
- (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- (iii) Estimated expenses relating to the admission to trading []/[Not Applicable]

5. YIELD (Fixed Rate Covered Bonds only)

- Indication of yield: []/[Not Applicable]

6. OPERATIONAL INFORMATION

- (i) ISIN Code: []/[Not Applicable]
- (ii) Common Code: []/[Not Applicable]
- (iii) CFI: []/[Not Applicable]
- (iv) FISN: []/[Not Applicable]

(If the ISIN Code, Common Code in case of PLN Covered Bonds is not available or CFI and/or FISN is not required, requested or available, it/they should be specified to be “Not Applicable”)

- (v) Clearing system(s) and the relevant identification number(s): [Clearstream Luxembourg [./and], Euroclear Bank SA/NV]/[The Polish National Depository of Securities (*Krajowy Depozyt Papierów Wartościowych S.A.*)]/[The Polish National Depository of Securities (*Krajowy Depozyt Papierów Wartościowych S.A.*) and Clearstream Luxembourg [./and], Euroclear Bank SA/NV]
- (vi) Delivery: Delivery [free of/against] payment
- (vii) Names and addresses of Paying Agent(s) (if any): [Banque Internationale à Luxembourg SA, 69 route d'Esch; L-2953 Luxembourg]/[*specify other*]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No.]

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of Subscription Agreement: [Not Applicable/*insert date*]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/*give name and address*]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: [[Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA; not applicable]]
- (vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
(If the Covered Bonds clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Covered Bonds may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)
- (viii) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
(If the Covered Bonds clearly do not constitute “packaged” products or the Covered Bonds do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Covered Bonds may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)
- (ix) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the terms and conditions of the Covered Bonds which will be incorporated by reference into, and will form part of, each Global Covered Bond (as defined below). The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond. Reference should be made to “Form of the Covered Bonds” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.

The Covered Bonds are mortgage covered bonds (*hipoteczne listy zastawne*) issued by Millennium Bank Hipoteczny S.A., a joint-stock company with its registered office in Warsaw, Poland, at ul. Stanisława Żaryna 2A, 02-593 Warsaw, registered in the register of entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under the KRS No. 0000852039, with the share capital of PLN 163,000,000.00 paid in full, NIP number 521-390-45-67, with the corporate website <https://www.millenniumbh.pl>, pursuant to the resolution of the Management Board of the Bank dated 25 September 2025 on establishing the international mortgage covered bonds programme (EMTN) and the Agency Agreement (as defined below) and are issued in accordance with the Act dated 29 August 1997 on Covered Bonds and Mortgage Banks (*ustawa z dnia 29 sierpnia 1997 r. o listach zastawnych i bankach hipotecznych*), as amended (the “**Polish Covered Bonds Act**”) and the Act dated 15 January 2015 on Bonds (*ustawa z dnia 15 stycznia 2015 r. o obligacjach*), as amended (the “**Polish Act on Bonds**”).

References herein to the “**Covered Bonds**” shall be references to the Covered Bonds of the relevant Tranche and shall mean:

- (a) in relation to any Covered Bonds represented by a global Covered Bond (a “**Global Covered Bond**”), units of each Specified Denomination in the Specified Currency; and
- (b) any Global Covered Bond.

The Covered Bonds benefit from the Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) dated 30 September 2025 and made between the Bank and Banque Internationale à Luxembourg SA as issuing and principal paying agent (the “**Paying Agent**”), which expression shall include any additional or successor paying agents).

The Agency Agreement does not apply to the PLN Covered Bonds. The Polish Issue Agent with regard to the PLN Covered Bonds will be Bank Millennium S.A. or, alternatively, the PLN Covered Bonds will be registered directly in the depository system maintained by the NDS in accordance with the relevant NDS Rules (delivery versus payment).

References to the “**Agent**” with regard to the Covered Bonds other than the PLN Covered Bonds shall mean Banque Internationale à Luxembourg SA (and shall include any successor agent) and references to the “**Agent**” with regard to the PLN Covered Bonds shall mean Bank Millennium S.A. (and shall include any successor agents).

The Covered Bonds are issued under the EUR 3,000,000,000 Programme for the issuance of Covered Bonds established by the resolution of the Management Board of the Bank dated 25 September 2025 on establishing the international mortgage covered bonds programme (EMTN) (the “**Programme**”).

The final terms for the Covered Bonds (or the relevant provisions thereof) are set out in the Final Terms attached to or endorsed on the Global Covered Bond pertaining thereto, which complete these terms and conditions of the Covered Bonds (the “**Conditions**”). References to the “**applicable Final Terms**” are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on the Global Covered Bond for the relevant Covered Bonds.

The Global Covered Bonds do not have interest coupons attached on issue.

Any reference to “**Covered Bond Holders**” or “**Holders**” in relation to any Covered Bonds shall mean the holders of the Covered Bonds and shall, in relation to any Covered Bonds represented by a Global Covered Bond, be construed as provided below.

As used herein, “**Tranche**” means Covered Bonds which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Covered Bonds constitute “European Covered Bonds” (*europejskie listy zastawne*, or *europejskie obligacje zabezpieczone*) within the meaning of Article 27(1) of the Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU. If the Covered Bonds comply with the requirements set out in Article 129 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, they may be labelled as “European

Covered Bonds (Premium)” (*europejskie listy zastawne (premium) or europejskie obligacje zabezpieczone (premium)*) in the relevant Final Terms.

Copies of the Agency Agreement are available for inspection during normal business hours at the specified offices of the Bank and the Paying Agent. Copies of the applicable Final Terms are available during regular business hours for viewing at the registered office of the Bank and of the Agent and copies may be obtained from those offices save that, if the Covered Bonds are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation, the applicable Final Terms will only be obtainable by a Covered Bond Holder holding one or more Covered Bonds and such Covered Bond Holder must produce evidence satisfactory to the Bank and the relevant Paying Agent as to its holding of such Covered Bonds and identity. If the Covered Bonds are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (<https://www.luxse.com>). Words and expressions used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated. In the Conditions, “euro”, “EUR” and “€” mean the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. All references in the Conditions to “PLN” and “Złoty” refer to Polish zloty.

1. FORM, DENOMINATION AND TITLE

The Covered Bonds are in bearer form and are serially numbered, in the currency (the “**Specified Currency**”) and in the denominations for each Series (the “**Specified Denomination(s)**”) specified in the applicable Final Terms. Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

The Covered Bonds may be Fixed Rate Covered Bonds or Floating Rate Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis and the determination of Change of Interest Basis shown in the applicable Final Terms. Alternatively, the Covered Bonds may be Zero Coupon Covered Bonds depending upon the Interest Basis shown in the applicable Final Terms.

Subject as set out below, title to the Covered Bonds is effected by agreement on the transfer among the relevant parties and by delivery or otherwise in accordance with any applicable laws and regulations including the rules of any relevant Clearing System.

The Bank and the Paying Agents will (except as otherwise required by law) deem and treat the Holder of any Covered Bond as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but without prejudice to the provisions set out in the next succeeding paragraph.

The applicable Final Terms will specify whether the Covered Bonds will be issued in new global note form.

The applicable Final Terms will specify the initial Aggregate Nominal Amount of the relevant Tranche and, in the event of a further Tranche to be consolidated with an existing Tranche or Tranches, the Aggregate Nominal Amount of the relevant Series of Covered Bonds.

Covered Bonds other than PLN Covered Bonds

The Aggregate Nominal Amount of the relevant Series of Covered Bonds represented by the Temporary Global Covered Bond(s) and the Permanent Global Covered Bond(s) shall be the aggregate nominal amount from time to time entered in the records of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”). The records of Euroclear or Clearstream, Luxembourg (which expression means the records that of Euroclear or of Clearstream, Luxembourg holds for its customers which reflect the amount of such customer’s interest in the Covered Bonds) shall be conclusive evidence of the aggregate nominal amount of the Covered Bonds represented by the Temporary Global Covered Bond and the Permanent Global Covered Bond and, for these purposes, a statement issued by a Euroclear or by Clearstream, Luxembourg stating the aggregate nominal amount of the Covered Bonds so represented at any time shall be conclusive evidence of the records of Euroclear or of Clearstream, Luxembourg at that time.

PLN Covered Bonds

If so specified in the applicable Final Terms and for the purpose of allowing clearing of PLN Covered Bonds in the Polish clearing system operated by the NDS, any Series may, in full but not in part, be issued in uncertificated and dematerialised book-entry form (dematerialised securities) in accordance with all applicable Polish laws and the NDS Rules.

In such a case, the PLN Covered Bonds will be either: (i) first registered in the records of persons entitled from securities (*ewidencja osób uprawnionych z papierów wartościowych*) created and maintained by Bank Millennium as the issue agent (*agent emisji*) referred to in Article 7a of the Act on Trading in Financial Instruments, and

subsequently registered in the depository system maintained by the NDS as the primary depository; or (ii) registered directly in the depository system maintained by the NDS in accordance with the relevant NDS Rules (delivery versus payment). Such PLN Covered Bonds will be accepted for clearance in the depository system maintained by the NDS. Payments on the PLN Covered Bonds referred to in this paragraph will be made through the NDS in accordance with the applicable NDS Rules. Following their registration in the depository system maintained by the NDS as the primary depository, the PLN Covered Bonds may also be registered in any other clearing system, including Euroclear or Clearstream, Luxembourg, as secondary depository.

No Temporary Global Covered Bonds, Permanent Global Covered Bonds, coupons, receipts, talons or certificates will be issued in respect of the PLN Covered Bonds and the provisions relating to presentation, surrender or replacement of such physical bearer instruments shall not apply.

2. STATUS OF THE COVERED BONDS

The Covered Bonds are direct, unconditional and unsubordinated obligations of the Bank and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with Polish Covered Bonds Act and rank *pari passu* with all other unsubordinated present and future obligations of the Bank which have the same status as the Covered Bonds under the Polish Covered Bonds Act.

3. INTEREST

The applicable Final Terms determine whether the Covered Bonds of a given Series are Fixed Rate Covered Bonds, Floating Rate Covered Bonds, or any combination thereof (depending upon the Interest Basis and the determination of Change of Interest Basis shown in the applicable Final Terms), or Zero Coupon Covered Bonds.

(a) *Interest on Fixed Rate Covered Bonds*

Each Fixed Rate Covered Bond bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date, subject to Condition 5(d) (in which case it shall be paid until the Extended Maturity Date or Additionally Extended Maturity Date, as the case may be, unless otherwise specified in the Final Terms).

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or, in case of the first interest period, the Interest Commencement Date) to (but excluding) the next Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period such interest shall be calculated in respect of such period by applying the Rate of Interest to the aggregate outstanding nominal amount of the Fixed Rate Covered Bonds represented by a Global Covered Bond and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 3:

- (i) if “**Actual/Actual (ICMA)**” is specified in the applicable Final Terms:
 - (A) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of: (I) the number of days in such Determination Period; and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of: (I) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and (II) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in

such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) *Interest on Floating Rate Covered Bonds*

(i) **Interest Payment Dates**

Each Floating Rate Covered Bond bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls after the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, “**Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 3(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls after the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, with regard to the Covered Bonds other than the PLN Covered Bonds, “**Business Day**” means a day which is:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Relevant Business Centre(s) specified in the applicable Final Terms;

- (B) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (ii) in relation to any sum payable in euro, a day on which the real time gross settlement system operated by the Eurosystem, or any successor system (“**T2**”), is open; and
- (C) a day on which Clearstream, Luxembourg and Euroclear offset money and securities transfers.

In the Conditions, with regard to the PLN Covered Bonds, “**Business Day**” means any day, except Saturdays, Sundays and other public holidays on which banks in Poland and the NDS conduct activities necessary for the execution of the issuance of the Covered Bonds, including redemption and payments on the Covered Bonds.

(ii) Rate of Interest

The rate of interest payable from time to time in respect of Floating Rate Covered Bonds will be determined in the manner specified in the applicable Final Terms (the “**Rate of Interest**”).

(iii) ISDA Determination for Floating Rate Covered Bonds

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (A), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating (i) if “2006 ISDA Definitions” is specified in the applicable Final Terms, the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds of the relevant Series (as specified in the Final relevant Terms), and if specified in the relevant Final Terms, as supplemented by the ISDA Benchmarks Supplement) as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”); or (ii) if “2021 ISDA Definitions” is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as at the Issue Date of the first Tranche of the Covered Bonds (together, the “**ISDA Definitions**”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity, if applicable, is a period specified in the applicable Final Terms;
- (3) the relevant Reset Date is the day specified in the applicable Final Terms; and
- (4) if the Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the applicable Final Terms:
 - (a) Compounding with Lookback;
 - (b) Compounding with Observation Period Shift;
 - (c) Compounding with Lockout; or
 - (d) IOS Compounding.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers or other items specified in the relevant confirmation shall be deemed to be references to the numbers or other items specified for such purpose in the applicable Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**”, “**Overnight Floating Rate Option**”, “**Overnight Rate Compounding Method**”, “**Compounding with Lookback**”, “**Compounding with Observation Period Shift**”, “**Compounding with Lockout**” and “**OIS Compounding**”, have the meanings given to those terms in the ISDA Definitions and “**ISDA Benchmarks Supplement**” means the Benchmark Supplement (as amended and updated as at the date of the issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the relevant Final Terms) published by the International Swaps and Derivatives Associations, Inc.

(iv) Screen Rate Determination for Floating Rate Covered Bonds

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either EURIBOR or WIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11:00 a.m. (Brussels time in the case of EURIBOR), or 11:00 a.m. (Warsaw time in the case of WIBOR) on the Interest Determination Date in question plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined by the Agent.

If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11:00 a.m. (Brussels time in the case of EURIBOR) or 11:00 a.m. (Warsaw time in the case of WIBOR) on the Interest Determination Date in question.

If two or more of the Reference Banks provide the Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

As used herein, “**Reference Banks**” means the principal office of the bank or banks specified as such in the Final Terms or such other prime bank or banks as may be appointed as such by the Agent after consultation with the Bank.

If on any Interest Determination Date only one of the Reference Banks provides the Agent with a quotation as provided in the foregoing provisions of this paragraph, the Rate of Interest shall be the sum of the relevant quotation (rounded, if necessary, to the nearest 0.001 per cent (0.0005 per cent being rounded upwards)) and the Margin (as applicable), all as determined by the Agent.

If on any Interest Determination Date none of the Reference Banks provides the Agent with a quotation, the Rate of Interest shall be (i) the rate determined on the previous Interest Determination Date (if any) or (ii) if there is no such previous Interest Determination Date, the Rate of Interest in the last preceding Interest Period, in each case, substituting, where a different margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin relating to the relevant Interest Period in place of the margin relating to that last preceding Interest Period.

(v) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3(b)(ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3(b)(ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(vi) Determination of Rate of Interest and calculation of Interest Amounts

The Agent or the Calculation Agent (as the case may be), in the case of Floating Rate Covered Bonds, will at, or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

If interest is required to be calculated by the Agent for a period other than an Interest Period or if no Fixed Coupon Amount or Broken Amount is specified in the relevant Final Terms, the amount of interest

(the “**Interest Amount**”) payable per Calculation Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product thereof by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 3(b):

- (A) if “**Actual/Actual (ISDA)**” or “**Actual/Actual**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if “**Actual/365 (A’ KK)**” is specified in the applicable Final Terms, the actual number of days (except the 29th day of February in a leap year, if applicable) in the Interest Period divided by 365;
- (D) if “**Actual/365 (Sterling)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (E) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (F) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (G) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (H) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

- (vii) Linear Interpolation

Where Linear Interpolation is specified in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next than shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

- (viii) Notification of Rate of Interest and Interest Amounts

With regard to the Covered Bonds other than the PLN Covered Bonds, the Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Bank and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 9 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and to the Covered Bond Holders in accordance with Condition 9. For the purposes of this paragraph, the expression “Luxembourg Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Luxembourg.

With regard to the PLN Covered Bonds, the Calculation Agent (with regard to the PLN Covered Bonds) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Bank and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed in accordance with the Conditions and the relevant regulations, in particular the relevant regulations of the WSE. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and to the Covered Bond Holders, in accordance with the applicable regulations.

(ix) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b) by the Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Bank, the Agent, the other Paying Agents and all Covered Bond Holders and (in the absence of wilful default or bad faith) no liability to the Bank or the Covered Bond Holders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(x) Accrual of interest

Each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue at a level specified under the provisions of the Polish Civil Code dated 23 April 1964 (*ustawa z dnia 23 kwietnia 1964 r. Kodeks cywilny*, the “**Civil Code**”) until whichever is the earlier of:

- (A) the date on which all amounts due in respect of such Covered Bond have been paid; and
- (B) five days after the date on which the full amount of the moneys payable in respect of such Covered Bond has been received by the Agent and notice to that effect has been given to the Holders in accordance with Condition 9.

(xi) Benchmark discontinuation

Notwithstanding the foregoing provisions in this Condition 3(b), if the Bank, following consultation with an Independent Adviser pursuant to this Condition 3(b)(xi) and acting in good faith and in a commercially reasonable manner, determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply:

- (A) the Bank shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner) no later than three Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the “**IA Determination Cut-off Date**”) a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (in accordance with Condition 3(b)(xi)(C)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 3(b)(xi)(E)) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Covered Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 3(b)(xi); however, if the Successor Rate or Alternative Reference Rate is predetermined in accordance with the relevant provisions of law or by the regulator, the Bank shall not be obliged to appoint an Independent Adviser;
- (B) if the Bank is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Bank (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;
- (C) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 3(b)(xi); provided, however, that if sub-paragraph (B) applies and the Bank is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant

Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Covered Bonds in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the Rate of Interest for the initial Interest Period) (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period); for the avoidance of doubt, the provisions in this sub-paragraph (B) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 3(b)(xi));

- (D) if the Independent Adviser or the Bank determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Bank (as applicable), may also specify changes to these Conditions, including but not limited to, the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Day, Interest Determination Date, and/or the definition of Reference Rate applicable to the Covered Bonds, and the method for determining the fallback rate in relation to the Covered Bonds, in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser (in consultation with the Bank) or the Bank (as applicable) determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Bank (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread.
- (E) if any Successor Rate, Alternative Reference Rate or Adjustment Spread (in either case) is determined in accordance with this Condition 3(b)(xi) and the Bank, following consultation with the Independent Adviser, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Bank may also, following consultation with the Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), take necessary action to effect such Benchmark Amendments (and for the avoidance of doubt, the Agent shall, at the direction and expense of the Bank, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 3(b)(xi)). Consent of the relevant Covered Bond Holders shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Calculation Agent and/or Agent (if required). Notwithstanding any other provision of this Condition 3, if in the Calculation Agent’s or Agent’s (as the case may be) opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3, the Calculation Agent or Agent (as the case may be) shall promptly notify the Bank thereof and the Bank may (but shall not be obliged to) direct the Calculation Agent or the Agent (as the case may be) in writing as to which alternative course of action to adopt. If the Calculation Agent or Agent (as the case may be) is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Bank thereof and the Calculation Agent and Agent (as the case may be) shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so;
- (F) the Bank shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Calculation Agent, the Agent, and the Covered Bond Holders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to these Conditions; and
- (G) without prejudice to the obligations of the Bank under Condition 3(b)(xi) (A), (B), (C), (D) and (E), the Original Reference Rate and the fallback provisions provided for in Condition 3(b)(iv) will continue to apply unless and until the Agent has been notified of the Successor Rate or the Alternative Reference Rate (as the case may be), any Adjustment Spread (if applicable) and Benchmark Amendments (if applicable), in accordance with Condition 3(b)(xi)(F).

“Adjustment Spread” means a spread (which may be zero, positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Bank) or the Bank (as applicable) determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Covered Bond Holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body, or
- (B) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Bank) or the Bank (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (C) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Bank) or the Bank in its discretion (as applicable) determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

“Alternative Reference Rate” means the rate that the Independent Adviser or the Bank (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Bank (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Bank (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate;

“Benchmark Amendments” has the meaning given to it in Condition 3(b)(xi)(E).

“Benchmark Event” means:

- (A) the Original Reference Rate ceases to be published or ceases to exist;
- (B) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate);
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued;
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (E) it has or will become unlawful for any Agent, Calculation Agent or the Bank to calculate any payments due to be made to any Covered Bond Holder using the Original Reference Rate;

“Independent Adviser” means an independent financial institution of international repute or other independent adviser experienced in the debt capital markets, in each case appointed by the Bank at its own expense;

“Original Reference Rate” means the originally specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Bank.

“Relevant Nominating Body” means, in respect of a reference rate:

- (A) the central bank for the currency to which the reference rate relates, any central bank which is responsible for supervising the administrator of the reference rate, or any other relevant supervisory or regulatory authority or national legislative body of the country for the currency to which the reference rate relates; or
- (B) any working group or committee sponsored by, chaired or co-chaired by, or constituted at the request of (a) the central bank for the currency to which the reference rate relates, (b) any central bank which is responsible for supervising the administrator of the reference rate, (c) any other relevant supervisory or regulatory authority or national legislative body of the country for the

currency to which the reference rate relates, (d) a group of the aforementioned central banks or other authorities, or (e) the Financial Stability Board or any part thereof; and

“**Successor Rate**” means the rate that the Independent Adviser or the Bank (as applicable) determines is a successor to, or replacement of, the Original Reference Rate which is formally recommended by any Relevant Nominating Body

(c) *No Periodic Payments of Interest on Zero Coupon Covered Bonds*

There will be no periodic payments of interest on any Zero Coupon Covered Bonds.

4. PAYMENTS

(a) *Method of payment*

Subject as provided below, Holders will receive payments as follows:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the Holder with a bank in the principal financial centre of the country of such Specified Currency; and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the Holder.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(b) *Payments*

Payments on the Covered Bonds other than the PLN Covered Bonds

Payments of principal and interest (if any) in respect of Covered Bonds will (subject to the below) be made in the manner specified and otherwise in the manner specified in the relevant Global Covered Bond, where applicable, against presentation or surrender, as the case may be, of such Global Covered Bond at the specified office of any Paying Agent outside the United States. A record of each payment distinguishing between any payment of principal and any payment of interest will be made on such Global Covered Bond either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

The holder of a Global Covered Bond shall be the only person entitled to receive payments in respect of Covered Bonds represented by such Global Covered Bond and the Bank’s obligations will be discharged by payment to, or to the order of, the holder of such Global Covered Bond in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Covered Bonds represented by such Global Covered Bond must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Bank to, or to the order of, the holder of such Global Covered Bond. The beneficial holders of a particular nominal amount of Covered Bonds entitled to receive the relevant payments in respect of Covered Bonds shall be determined as of the date specified in accordance with the applicable regulations of Euroclear or Clearstream, Luxembourg (record date).

Payments on the PLN Covered Bonds

Payments of principal and interest (if any) in respect of the PLN Covered Bonds shall be made to the Covered Bond Holders specified in accordance with the applicable NDS Rules.

(c) *Payment Day*

If the date for payment of any amount in respect of any Covered Bond is not a Payment Day, the holder thereof shall not be entitled to payment until the next Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, with regard to Covered Bonds other than the PLN Covered Bonds, “**Payment Day**” means any day which (subject to Condition 7) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Relevant Financial Centre specified in the applicable Final Terms; and

- (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which T2 is open; and
- (iii) a day on which Clearstream, Luxembourg and Euroclear process money and securities transfers.

In respect of the PLN Covered Bonds, the Payment Day shall be established in accordance with the applicable NDS Rules.

(d) *Interpretation of principal and interest*

Any reference in the Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 6;
- (ii) the Final Redemption Amount (which shall be at least equal to the nominal value of each Covered Bond) of the Covered Bonds; and
- (iii) any premium and any other amounts (other than interest) which may be payable by the Bank under or in respect of the Covered Bonds.

Any reference in the Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6.

5. REDEMPTION AND PURCHASE

(a) *Redemption at maturity*

Subject to Condition 5(c), Condition 5(d), Condition 5(h) and Condition 5(i), unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Bank at its Final Redemption Amount (which shall be at least equal to the nominal value of each Covered Bond) specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) *No redemption at the option of the Covered Bond Holders (Investor Put)*

The Covered Bond Holders are not entitled to request redemption of the Covered Bonds prior to the Maturity Date.

(c) *Early Redemption of Covered Bonds Pursuant to Article 21.1 of the Act on Covered Bonds and Mortgage Banks*

If the Maturity Date of the Covered Bonds falls later than five years from the Issue Date and Early Redemption of Covered Bonds Pursuant to Article 21.1 of the Act on Covered Bonds and Mortgage Banks is specified as being applicable in the applicable Final Terms, the Issuer may, in order to ensure compliance with the provisions of Article 18 of the Act on Covered Bonds and Mortgage Banks, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Covered Bond Holders in accordance with Condition 9 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or only some of the Covered Bonds then outstanding on any Optional Redemption Date, but not earlier than five years after the Issue Date, at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

(d) *Redemption of the Covered Bonds in the event of the Bank's Bankruptcy and appointment of a Trustee*

- (i) In these Conditions:

“**Bankruptcy Event**” means the announcement of the bankruptcy of the Bank (*ogłoszenie upadłości*) by a Polish bankruptcy court in accordance with the Polish Bankruptcy Law;

“**Bankruptcy Receiver**” means the receiver (*syndyk*) appointed by the bankruptcy court in respect of the Separate Bankruptcy Asset Pool in accordance with the Polish Bankruptcy Law;

“**Coverage Test**” means the coverage test (*test równowagi pokrycia*) as defined in the Polish Covered Bonds Act, performed by the Bankruptcy Receiver under the supervision of the Trustee to determine

whether the Separate Bankruptcy Asset Pool is sufficient to satisfy all of the Bank's obligations towards all holders of outstanding covered bonds issued by the Bank in full;

"Cover Pool" means the assets which are the basis for the issuance of mortgage covered bonds by the Bank and are entered into the cover pool register (*rejestr zabezpieczenia listów zastawnych*) created for mortgage covered bonds;

"Liquidity Test" means the liquidity test (*test płynności*) as defined in the Polish Bankruptcy Law, performed by the Bankruptcy Receiver under the supervision of the Trustee to determine whether the Separate Bankruptcy Asset Pool is sufficient to satisfy the Bank's obligations towards holders of the outstanding covered bonds issued by the Bank in full taking into account the maturity of the outstanding covered bonds issued by the Bank extended by 12 months;

"Partial Separate Bankruptcy Asset Pool Sale" means the sale of a portion of the assets constituting the Separate Bankruptcy Asset Pool in accordance with the Polish Bankruptcy Law;

"Polish Bankruptcy Law" means the Polish Act of 28 February 2003 – the Bankruptcy Law (*ustawa z dnia 28 lutego 2003 r. Prawo upadłościowe*);

"Qualifying Hedging Instruments" means derivative contracts to which the Bank is a party which satisfy the conditions of the Polish Covered Bonds Act;

"Separate Bankruptcy Asset Pool" means a separate bankruptcy asset pool (*osobna masa upadłości*) of the Bank created on the date of the Bankruptcy Event to satisfy claims of holders of the outstanding covered bonds issued by the Bank (including the outstanding Covered Bonds) and counterparties of derivative contracts entered into the cover pool register (*rejestr zabezpieczenia listów zastawnych*);

"Separate Bankruptcy Asset Pool Sale" means the sale of all of the assets constituting the Separate Bankruptcy Asset Pool in accordance with the Polish Bankruptcy Law;

"Trustee" means the trustee (*kurator*) within the meaning of Article 443 of the Polish Bankruptcy Law; and

"Underlying Receivables" means the receivables which are the basis for the issuance of the covered bonds issued by the Bank.

- (ii) Upon the occurrence of a Bankruptcy Event, the maturity date of all covered bonds issued by the Bank shall be automatically extended by 12 months (the **"Extended Maturity Date"**).
- (iii) With respect to the Coverage Test and the Liquidity Test to be conducted by the Bankruptcy Receiver within three months of the date of the Bankruptcy Event in accordance with the Polish Covered Bonds Act:
 - (A) If the Coverage Test and the Liquidity Test each confirm that the Separate Bankruptcy Asset Pool is sufficient to satisfy the Bank's obligations towards holders of the outstanding covered bonds issued by the Bank in full, the Bank's obligations towards the Covered Bond Holders shall be fulfilled in accordance with these Conditions and the applicable Final Terms taking into account the Extended Maturity Date and paragraph (iv) below.

Notwithstanding the above, the Covered Bond Holders, together with the holders of the outstanding covered bonds issued by the Bank may, not later than two months following the announcement of the results of the Coverage Test and the Liquidity Test by the Bankruptcy Receiver, by a vote of holders representing two-thirds of the aggregate nominal amount of the outstanding covered bonds of the Bank, instruct the Bankruptcy Receiver to conduct a Separate Bankruptcy Asset Pool Sale (a) to another mortgage bank, with the transfer of the obligations of the Bank under the outstanding covered bonds of the Bank in which case payments of principal and interest under the Covered Bonds will be made by the mortgage bank acquiring the Separate Bankruptcy Asset Pool or (b) to another mortgage bank or a bank, without such transfer, in which case payments of principal and interest under the Covered Bonds will be made by the Bankruptcy Receiver from the proceeds from the Separate Bankruptcy Asset Pool Sale.

If the amount of proceeds received from the Separate Bankruptcy Asset Pool Sale, *less*, with respect to the outstanding covered bonds of the Bank:

- (I) the aggregate amount of interest that will become due and payable within six months from the Separate Bankruptcy Asset Pool Sale; and
- (II) the aggregate amount of principal and interest that had become due and payable prior to the date of the Bankruptcy Event but had not been paid prior to the date of Bankruptcy Event,

is equivalent to at least 5 per cent of the aggregate principal amount of the outstanding covered bonds of the Bank, the Bankruptcy Receiver may, at its discretion, repay the principal under the Covered Bonds (provided that payments are made *pro rata* to holders of the outstanding covered bonds of the Bank, including the Covered Bond Holders, and counterparties to the Qualifying Hedging Instruments) earlier than on the Extended Maturity Date. Such payment would be made on the next interest payment date, but in any event not earlier than 14 days after the date on which the decision of the judge-commissioner approving the Bankruptcy Receiver's report on the progress of the bankruptcy proceedings becomes final and binding.

- (B) If the Coverage Test confirms that the Separate Bankruptcy Asset Pool is sufficient to satisfy the Bank's obligations towards holders of the outstanding covered bonds issued by the Bank in full, but the Liquidity Test fails to confirm that the Separate Bankruptcy Asset Pool is sufficient to satisfy the Bank's obligations towards holders of the outstanding covered bonds issued by the Bank in full taking into account the maturity of the outstanding covered bonds issued by the Bank extended by 12 months, the Maturity Date of the Covered Bonds shall be extended by three years from the latest maturity date of an Underlying Receivable entered into the cover pool register (the "**Additionally Extended Maturity Date**").

However, if the available funds in the Separate Bankruptcy Asset Pool, *less*, with respect to all outstanding covered bonds of the Bank:

- (I) the aggregate amount of interest that will become due and payable within six months from the date of the performance of the Coverage Balance Test; and
- (II) the costs of bankruptcy proceedings with respect to the Separate Bankruptcy Asset Pool indicated in the Bankruptcy Receiver's report,

are equivalent to at least 5 per cent of the aggregate nominal value of the outstanding covered bonds issued by the Bank, payment of principal under the Covered Bonds shall be made on the next interest payment date falling at least 14 days after the date on which the decision of the judge-commissioner approving the Bankruptcy Receiver's report on the progress of the bankruptcy proceedings becomes final and binding; *provided that* such payments of principal shall be made *pro rata* to all holders of covered bonds issued by the Bank (including the Covered Bond Holders) and counterparties to the Qualifying Hedging Instruments (the "**Pass-Through Procedure**").

Notwithstanding the above, the Covered Bond Holders, together with all holders of the outstanding covered bonds issued by the Bank, may, not later than three months following the date of the announcement of the results of the Coverage Test and the Liquidity Test, by a vote of holders representing two-thirds of the aggregate nominal amount of all outstanding covered bonds of the Bank:

- (III) display the Additionally Extended Maturity Date and the Pass-Through Procedure and revert to the Extended Maturity Date; or
- (IV) instruct the Bankruptcy Receiver to conduct a Separate Bankruptcy Asset Pool Sale or Partial Separate Bankruptcy Asset Pool Sale to:
 - a. another mortgage bank, with the transfer of the obligations of the Bank under all of the outstanding covered bonds of the Bank;
 - b. a bank which is not a mortgage bank, without the transfer of the obligations of the Bank under all of the Bank's outstanding covered bonds, or
 - c. an entity which is not a bank, with respect to assets the possession of which is not restricted to banks, without the transfer of the obligations of the Bank under all of the Bank's outstanding covered bonds,

in which case the principal and all interest under the Covered Bonds shall become immediately due and payable.

- (C) If the Coverage Test fails to confirm that the Separate Bankruptcy Asset Pool is sufficient to satisfy the Bank's obligations towards holders of the outstanding covered bonds issued by the Bank in full, paragraph (B) above shall apply (including the Additionally Extended Maturity Date); *provided that* the vote by the holders of the outstanding covered bonds issued by the Bank on the Separate Bankruptcy Asset Pool Sale or Partial Separate Bankruptcy Asset Pool Sale referred in paragraph (B) above may occur at any time following the announcement of the results of the Coverage Balance Test.

- (iv) Irrespective of the results of the Coverage Test and Liquidity Test, following the date of the Bankruptcy Event, any interest under the Covered Bonds shall be calculated on the basis of, and payable in the manner and on the dates indicated in the Conditions and the applicable Final Terms.
- (v) In addition, if a Bankruptcy Event occurs after the Maturity Date and the aggregate nominal amount under the Covered Bonds which is due and payable had not been repaid prior to the Bankruptcy Event Date, the Bank shall, subject to the Additionally Extended Maturity Date, pay such aggregate nominal amount under the Covered Bonds within 12 months of the date of the Bankruptcy Event, but not earlier than after the first announcement on the results of the Coverage Test and the Liquidity Test.
- (vi) A petition for bankruptcy of the Bank may be filed only by the PFSA or the Bank Guarantee Fund (*Bankowy Fundusz Gwarancyjny*). Prior to issuing the bankruptcy order, the Polish bankruptcy court will question a representative of the PFSA, a representative of the Bank Guarantee Fund (*Bankowy Fundusz Gwarancyjny*), the members of the Bank's Management Board or liquidator regarding the grounds for declaring the bank bankrupt and the candidates for the Bankruptcy Receiver.
- (vii) In the bankruptcy order, the Polish bankruptcy court will appoint the Trustee to represent the interests of Covered Bond Holders in the bankruptcy proceedings. The Polish bankruptcy court consults the PFSA when selecting a person to be appointed as the Trustee. Covered Bond Holders may also act in proceedings in person and via an attorney if the judge-commissioner allows them to participate in the proceedings. The judge-commissioner permits Covered Bond Holders to participate in bankruptcy proceedings if they prove their title to the Covered Bonds.
- (viii) Within 21 days from the Bankruptcy Event, the Trustee declares for the bankruptcy asset pool: (i) the total nominal amount of the outstanding Covered Bonds that have not been redeemed by the date of the Bankruptcy Event and having a Maturity Date before such date and (ii) the total nominal amount of the outstanding Covered Bonds and interest payable after the date of the Bankruptcy Event. Covered Bond Holders cannot themselves declare that their receivables under the Covered Bonds are included in the bankruptcy asset pool.
- (ix) The Bankruptcy Receiver should provide the Trustee with all information he requires. The Trustee can review the books and records of the Bank. The Trustee has voting rights at the creditor's meeting only with respect to the matters that could affect the rights of the Covered Bond Holders.
- (x) The Bankruptcy Receiver conducts the liquidation of the Separate Bankruptcy Asset Pool with the participation of the Trustee. If the council of creditors or the judge-commissioner grants consent to the sale of assets in the Separate Bankruptcy Asset Pool in a negotiated contract (*sprzedaż z wolnej ręki*), the sale requires the approval of the Trustee.
- (xi) The PFSA and the Trustee may exchange information on the Programme to the extent necessary for conducting the bankruptcy proceedings.

This Condition 5(d) replicates mandatory provisions of Polish law, in particular the Polish Bankruptcy Law, as at the date of this Base Prospectus. In the event of a conflict between Condition 5(d) and mandatory provisions of Polish law, if and as amended from time to time, mandatory provisions of Polish law shall prevail. Changes (if any) in the mandatory provisions of Polish law which affect the provisions of this Condition 5(d) shall not create an obligation for the Bank to notify the Holders thereof unless otherwise required under applicable Polish law.

(e) *Purchases*

The Bank may purchase Covered Bonds at any price in the open market or otherwise for the purpose of redemption or depositing them under the care of the Cover Pool Monitor insofar it is connected with the Bank's fulfilment of the requirements referred to in Article 18 of the Polish Covered Bonds Act.

(f) *Cancellation*

Except for the Covered Bonds purchased for the purpose of depositing them under the care of the Cover Pool Monitor, all Covered Bonds which are redeemed or purchased by the Bank will forthwith be cancelled. All Covered Bonds so cancelled cannot be reissued or resold.

(g) *Late payment on Zero Coupon Covered Bonds*

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 5(a) is improperly withheld or refused, default interest specified under Article 481 §2 of the Civil Code shall accrue on such amount.

- (h) *Mandatory redemption in case of non-bankruptcy liquidation, merger, division or transformation under statutory provisions of Polish law*

Under the Polish Act on Bonds, if the Bank is subject to non-bankruptcy liquidation (*likwidacja*), the Bank shall redeem the Covered Bonds at par on the opening day of such non-bankruptcy liquidation (*likwidacja*) proceedings. If the Bank is subject to a merger (*połączenie*), division (*podział*) or transformation (*przekształcenie formy prawnej*), and the entity that has taken over all or a portion of the Bank's obligations under the Covered Bonds pursuant to such merger (*połączenie*), division (*podział*) or transformation (*przekształcenie formy prawnej*) is not permitted under the Polish Covered Bonds Act to issue covered bonds, the Bank or its successor entity shall redeem such Covered Bonds at par. The terms non-bankruptcy liquidation (*likwidacja*), merger (*połączenie*), division (*podział*) and transformation (*przekształcenie formy prawnej*) in this paragraph shall have the meaning as prescribed under Polish law.

- (i) *Resolution, compulsory write-down or conversion (bail-in)*

The payment obligations of the Bank under the Covered Bonds are not subject to automatic acceleration upon resolution (*przymusowa restrukturyzacja*) of the Bank. The maturity of the Covered Bonds cannot be extended in the event of resolution (*przymusowa restrukturyzacja*) of the Bank.

In the event the Bank becomes subject to resolution (*przymusowa restrukturyzacja*), pursuant to the provisions of the Polish Act on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Restructuring dated 10 June 2016 (*ustawa z dnia 10 czerwca 2016 r. o Bankowym Funduszu Gwarancyjnym, systemie gwarantowania depozytów oraz przymusowej restrukturyzacji*) ("**Resolution Act**"), secured liabilities comprising a separate and secured pool, such as obligations of the Bank under the Covered Bonds, remain valid and binding and shall not be subject to compulsory write-down or conversion into equity up to the amount by which all amounts due and payable in respect of such Covered Bonds is fully covered by the Cover Pool. However, the Covered Bonds may be subject to compulsory write-down or conversion to equity to the extent that the value of the Cover Pool is not sufficient to satisfy all claims in respect of amounts due and payable under such Covered Bonds.

Pursuant to the Resolution Act, the Bank Guarantee Fund (*Bankowy Fundusz Gwarancyjny*) may decide to change the Conditions of the Covered Bonds or transfer assets in the Cover Pool to another entity, provided that such change or transfer should not be detrimental to the rights of the Covered Bond Holders or affect the existing level of collateralisation of the Covered Bonds. In particular, the Bank Guarantee Fund shall not: (i) transfer the assets included in the Cover Pool without transferring the liabilities under the Covered Bonds, or (ii) transfer liabilities under the Covered Bonds without transferring the assets in the Cover Pool.

In the event of resolution of the Bank, the PFSA shall cooperate with the Bank Guarantee Fund (*Bankowy Fundusz Gwarancyjny*) in order to ensure that the rights and interests of the Covered Bond Holders are preserved, including ensuring continuous and sound management of the Programme during the period of the resolution process.

6. TAXATION

All payments of principal and interest in respect of the Covered Bonds by or on behalf of the Bank will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Bank will pay such additional amounts as shall be necessary in order that the net amounts received by the Covered Bond Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Covered Bond:

- (a) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Covered Bond by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Covered Bond; or
- (b) presented for payment by, or by a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by it complying, or procuring (if it is in the relevant holder's control) that any third party complies, with any statutory requirements or by it making, or procuring (if it is in the relevant holder's control) that any third party makes, a declaration of non-residence or other similar claim for exemption to any tax authority in the relevant place; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 4(c)); or

- (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond to another Paying Agent in a Member State of the European Union.

Notwithstanding any other provision of these Conditions, in no event will the Bank be required to pay any additional amounts in respect of the Covered Bonds for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

- i. “**Tax Jurisdiction**” means Poland or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Bank of principal and interest on the Covered Bonds become generally subject; and
- ii. the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bond Holders in accordance with Condition 9.

7. PRESCRIPTION

Claims against the Bank for payment under the Covered Bonds expire after six years (except for claims for payment of interest which become time-barred after three years) and the end of the prescription period falls on the last day of the calendar year.

8. PAYING AGENTS

Covered Bonds other than the PLN Covered Bonds

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Bank is entitled to change or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent, which may be the Agent, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (b) the Bank undertakes that it will ensure that it maintains a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Bank is incorporated.

In addition, the Bank shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4(d). Notice of any variation, termination, appointment or change in the Paying Agents will be given to the Covered Bond Holders promptly by the Bank in accordance with Condition 9.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Bank and do not assume any obligation to, or relationship of agency or trust with, any Covered Bond Holders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

PLN Covered Bonds

No paying agent has been appointed for the purpose of payments under the PLN Covered Bonds. All payments under the PLN Covered Bonds will be made through the Polish NDS in accordance with the applicable NDS Rules.

9. NOTICES

All notices regarding the Covered Bonds will be deemed to be validly given if published in a daily newspaper of general circulation in Luxembourg. It is expected that such publication will be made in the *Luxemburger Wort* in Luxembourg. So long as the Covered Bonds are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange’s website, <https://www.luxse.com>. It is expected that any such publication in a newspaper will

be made in the Luxemburger Wort in Luxembourg. The Bank shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant regulatory authority on which the Covered Bonds are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

So long as any Global Covered Bonds representing the Covered Bonds are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, there may be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Holders of the Covered Bonds and, in addition, for so long as any Covered Bonds are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Holders on the second day after the day on which the notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Covered Bond Holder shall be in writing and given by lodging the same with the Agent. While any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any Holder to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

10. FURTHER ISSUES

The Bank shall be at liberty from time to time without the consent of the Covered Bond Holders to create and issue further covered bonds having terms and conditions the same as the Covered Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds.

11. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) *Governing law*

The Covered Bonds and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, Polish law.

(b) *Submission to jurisdiction*

The Polish common court appropriate for the registered seat of the Bank at the time of making a claim shall have non-exclusive jurisdiction for any action or other legal proceedings (“**Proceedings**”) arising out of or in connection with the Covered Bonds. The Polish courts shall have exclusive jurisdiction over lost or destroyed Covered Bonds.

(c) *Enforcement*

Any Holder of Covered Bonds may in any proceedings against the Bank, or to which such Holder and the Bank are parties, in its own name enforce its rights arising under such Covered Bonds on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of Covered Bonds (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Covered Bonds credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) or (ii) a copy of the Covered Bonds in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Covered Bond representing the Covered Bonds. For purposes of the foregoing, “**Custodian**” means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Covered Bonds and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under the Covered Bonds also in any other way which is permitted in the country in which the proceedings are initiated.

12. MEETINGS OF COVERED BOND HOLDERS MODIFICATION, WAIVER AND SUBSTITUTION

The meeting of the Covered Bond Holders may consider any matter affecting their interests under the Covered Bonds, including the sanctioning by a resolution of a modification of the Conditions. Such a meeting may be convened for each Series by the Bank and shall be convened by the Bank if required in writing by Covered Bond Holders holding not less than 10 per cent in nominal amount of the Covered Bonds of that Series for the time being outstanding. The meeting of the Covered Bond Holders shall be convened by an announcement made at least 21 days before the date of the meeting published in accordance with Condition 9. The meeting of the Covered Bond Holders shall be held at the seat of the entity operating the regulated market (in the event that the Covered Bond Holders are admitted to trading on a regulated market) or (in all other cases) in Warsaw, Poland. Unless

otherwise provided below, the quorum at any such meeting for passing a resolution is one or more persons holding or representing not less than 50 per cent of the nominal amount of the Covered Bonds of that Series for the time being outstanding, except that at any meeting the business of which includes the modification of the provisions of the Covered Bonds, except as described in point (a) and (b) below, the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Covered Bonds of that Series for the time being outstanding. A resolution passed at any meeting of the Covered Bond Holders of particular Series shall be binding on all the Covered Bond Holders of that Series for which the meeting was held, whether or not they are present at the meeting. The resolutions shall be passed:

- (a) in case of reduction of the nominal value of the Covered Bonds – by the unanimous vote of all present Covered Bond Holders;
- (b) in case of:
 - i. modifications to the methods of calculating interest, and terms of payment (including reduction or cancellation) of interest;
 - ii. modifications as to the time, place or method of satisfying the claims of the Covered Bond Holders, including the date, as at which entitlement to these benefits is established; or
 - iii. the principles of convening, holding or adopting resolutions by the meeting of the Covered Bond Holders,by the unanimous vote of all present Covered Bond Holders (if the Covered Bonds are admitted to trading on a regulated market) or by a majority of 75 per cent of all present Covered Bond Holders (if the Covered Bonds are not admitted to trading on a regulated market); and
- (c) in all other cases – by a majority vote.

Any changes to the Conditions approved by the Covered Bond Holders in the manner specified above shall only take effect if the Bank consents thereto. The Bank's statement concerning consent or the lack thereof for the change of the Conditions shall be published by the Bank on the Bank's website within seven days from the end of the meeting of the Covered Bond Holders. Failure to publish such statement means that the Bank does not grant its consent for the change of the Conditions.

Upon the occurrence of the Bankruptcy Event, the provisions of the Polish Bankruptcy Law with respect of meetings of holders of the outstanding covered bonds of the Bank shall prevail.

In particular, the judge-commissioner shall convene a meeting of creditors under the Covered Bonds at the request of Covered Bond Holders representing receivables corresponding to at least 10% of the nominal value of the outstanding Covered Bonds.

Unless otherwise provided by the Polish Bankruptcy Law, resolutions of the meeting of creditors under the Covered Bonds shall be adopted, irrespective of the number of creditors present, by a majority of creditors representing receivables corresponding to more than 50% of the nominal value of the outstanding Covered Bonds. The consent of the meeting of Covered Bonds creditors shall be required for the sale of assets entered into the cover pool register:

- (a) in full, if the funds obtained from the sale are not sufficient to fully satisfy the costs of liquidation of the Separate Bankruptcy Asset Pool and the claims of the Covered Bond Holders;
- (b) in part, if they are to be sold below fair value.

MARKET AND LEGAL ENVIRONMENT

Market

The information presented in this section has been extracted from publicly available sources and documents. The source of external information is always given if such information is used in this section. While reviewing, searching for and processing macroeconomic, market, industry or other data from external sources such as the PFSA or government publications, none of it has been independently verified by the Bank or the Arranger or any of their affiliates or the Group's advisers in connection with the Programme.

The Bank does not intend to and does not warrant to update the data concerning the market or the industry as presented in this section, subject to the duties resulting from generally binding regulations.

The Polish Economy

The Polish economy is one of the fastest developing economies in the EU. Poland, with 37.4 million residents it is the fifth largest EU country by population as of 1 March 2025. With a gross domestic product (the “GDP”) of U.S. dollars 908.6 billion in 2024 (according to the International Monetary Fund), it is the sixth largest EU economy and the 21st largest economy globally (by GDP, according to data from the International Monetary Fund).

Poland's economic growth is projected to accelerate to 3.2% in 2025 and 3.1% in 2026 (according to the International Monetary Fund). In 2024, the Polish economy recorded GDP growth of 2.9%. This growth was significantly higher than in 2023, when the economy grew by only 0.1%, which mainly reflects the inflation shock from 2022 and 2023 and a cost-of-living crisis. Poland's GDP growth in the first and the second quarter of 2025 was, respectively, 3.2% and 3.4%. Household consumption rose by 4.4% in the second quarter of 2025, 2.5% in the first quarter of 2025, while in the fourth quarter of 2024 the increase was 3.5%. In July 2025, retail sales were 4.8% higher compared to the same period of the previous year and the growth rate was higher than in July 2024, when it stood at 4.4%. Compared to June 2025, an increase of 4.4% was recorded. Between January and July 2025, sales increased by 3.3% year-on-year. The unemployment rate is stable and in July 2025 amounted to 3.1% (according to Eurostat), which was the fourth lowest result in the entire EU. In July 2024, the unemployment rate in Poland was 3.0%, which was the second lowest (together with Malta) in the EU.

In 2024, inflation in Poland significantly decreased compared to 2023, marking a positive trend in the economy. The year 2023 ended with an inflation rate of 6.2% in December, with the annual average reaching 11.4%. High energy and food prices, along with the expiration of anti-inflation measures, were key factors contributing to this situation. In 2024, inflation dropped considerably, reaching an annual average of 3.6%, a decrease of 7.8 p.p. compared to the previous year. In December 2024, inflation stood at 4.7%, remaining at the same level as in November. Several factors contributed to this decline in inflation. First, energy prices stabilised after the anti-inflation measures ended, helping to reduce overall price levels. Second, improvements in supply chains and increased production contributed to greater availability of goods, which impacted price stabilisation. Additionally, actions by the National Bank of Poland, including maintaining interest rates at appropriate levels, were aimed at controlling inflation.

In August 2025, the CPI stood at 2.9% y/y. In response to easing inflation pressure in Q1 2025 when the CPI was 4.9% and the slower pace of economic recovery, on 7 May 2025 the MPC cut the reference rate by 50 basis points to 5.25 per cent. – the first reduction since October 2023. On 2 July 2025 and on 3 September 2025, the MPC decided to reduce interest rates each time by 0.25 percentage points. As a result, the NBP reference rate fell to 4.75% per annum starting from 4 September 2025. The MPC's decision affects mortgage interest rates, which means that loan instalments for many Poles may fall.

Poland has one of the best educated labour forces among Western economies according to Programme for International Student Assessment studies and continuously benefits from large inflows of EU funds (over 2.0% of GDP per year). The Polish economy's direct exposure due to trade with Russia is negligible and declining (in exports: 0.78% in 2024, in imports: 0.51% in 2024). Since 2014, Poland has experienced high migration inflows from Ukraine (estimates show around 700 thousand Ukrainians working in Poland). This influx intensified exponentially after Russia's invasion of Ukraine; however, recently some Ukrainians have left Poland, mainly going to Germany.

The following table sets forth the key economic indicators for Poland for the periods indicated:

	For the year ended 31 December		Six months
	2024	2023	ended 30 June 2025
Real GDP growth on a year-on-year basis (%)	2.9	0.1	[not available]
Average CPI inflation rate on a year-on-year basis (%)..	3.6	11.4	4.1
Average wage growth in corporate sector (%)	11.0	11.9	8.7
Average unemployment rate (%)	5.1	5.2	5.2
General government deficit/GDP (ESA, %).....	-6.6	-5.1	[not available]
Government debt/GDP (ESA, %)	55.3	49.5	[not available]

	For the year ended 31 December		Six months
	2024	2023	ended 30 June 2025
Reference rate (%).....	5.75	5.75	5.25
PLN/EUR (average).....	4.27	4.35	4.23

Sources: GUS; PFSA; Eurostat; OECD and NBP

Development of the Polish Banking Sector

Between 1989 and 1991, a two-tiered banking sector was established, separating the central bank from the rest of the banking sector. Nine regional commercial banks were created out of the NBP's commercial and retail banking operations. The NBP branch network and the respective commercial loan portfolios of those branches were divided among the newly established banks to give each new bank a regional base. All of these regional banks were transformed into joint stock companies in October 1991 and were subsequently privatised between 1993 and 2001. Since 1991, Polish banking law has allowed the licensing of new private banks in Poland and opened the Polish banking market to foreign investors. As a result, there has been a rapid expansion in the number of banks owing to foreign banking groups entering the market.

According to the PFSA, as at 31 July 2025, the total number of banks and branches of foreign credit institutions operating in Poland was 551: 29 domestic commercial banks, 34 branches of foreign credit institutions and banks and 488 co-operative banks.

The level of competition in the Polish banking sector is relatively high due to its low level of concentration. According to PFSA data, as 31 July 2025, the share of banks controlled by foreign investors in the assets of the Polish banking sector was 42.8 per cent.

The Polish banking sector is expected to continue to experience consolidation in the medium term. A number of smaller market players generate relatively low revenues, which will be subject to rising pressure. This may force further consolidation if profitability is eroded. Given the revenue pressure (low interest rates, regulatory measures) and additional burdens (Polish banking tax, higher capital requirements), some banks will strive to increase their scale of operations to achieve a satisfactory return on equity.

As a result of changes in the shareholding structure of Polish commercial banks, in particular the takeover of Bank Pekao S.A. by PZU S.A. and PFR S.A., in 2017 the share of foreign ownership in banking assets in the country declined markedly.

Alternative distribution channels, in particular internet banking and mobile banking, have been increasing in importance in Poland. Moreover, new products, such as markets for financial advisory services, wealth management, insurance products and various investment funds in Poland, have seen significant growth and are likely to be a significant driver for profitability in the future.

Loans

As at 31 December 2024, amounts due to the non-financial sector increased by PLN 47,687 million, i.e. 4.12 per cent. compared to 31 December 2023. According to the Polish Credit Information Bureau (the “BIK”), in 2024 Poles took out a total of PLN 248.8 billion new loans and advances, i.e., approx. 32% more than in 2023.

	As at 31 December (in PLN million)		Change (%)
	2024	2023	2024/2023
Receivables from the non-financial sector, of			
which.....	1,193,276	1,146,444	4.09
to businesses.....	428,572	411,454	4.16
to households	756,308	726,715	4.07
other amounts due	8,395	8,275	1.45

Source: NBP

Amounts due from households constitute the majority of the amounts due from non-financial entities. As at 31 December 2024, amounts due from households comprised 63.38 per cent. of the gross amounts due from the non-financial sector and 22.81 per cent. of the banks' total assets.

Capital adequacy

Over the course of the past three years, Polish banks have maintained a strong capital base. The following table shows the capital adequacy ratios and own funds of the Polish banking sector as of the dates indicated, as reported by the PFSA:

	As at 31 December			Change	
	2024	2023	2022	2024/2023	2023/2022
Total capital ratio	21.52%	21.76%	20.46%	0.24 p.p.	1.30 p.p.
Tier 1	20.26%	20.17%	18.59%	0.09 p.p.	1.58 p.p.

	As at 31 December			Change	
	2024	2023	2022	2024/2023	2023/2022
Own funds for capital adequacy (in PLN billion).....	264.2	245.0	229.2	7.84%	6.89%

Source: PFSA

Two key factors have contributed to the strengthening of the capital base of the Polish banking sector: capital accumulation and equity issuances. In recent years, Polish banks have been increasing their equity, mainly by retaining their profits.

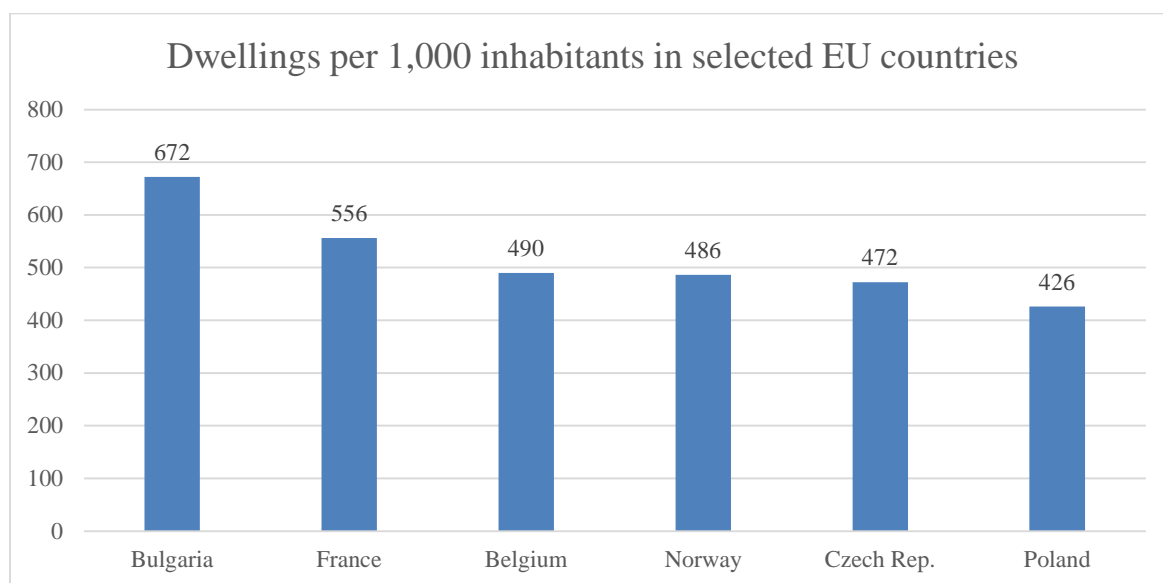
Higher minimum capital requirements have been applicable since January 2016. In 2024, the Tier 1 capital ratio increased from 20.17% in 2023 to 20.26%, and the total capital ratio decreased from 21.76% in 2023 to 21.52%. However, when compared to 2022, both the Tier 1 and total capital ratios showed improvement. The Tier 1 capital ratio increased from 18.59% in 2022 to 20.26%, and the total capital ratio rose from 20.46% in 2022 to 21.52% in 2024.

The domestic banking sector held significant excess capital above the applicable regulatory and supervisory requirements, both for capital ratios based on risk-weighted exposures and the minimum leverage ratio.

The Residential market

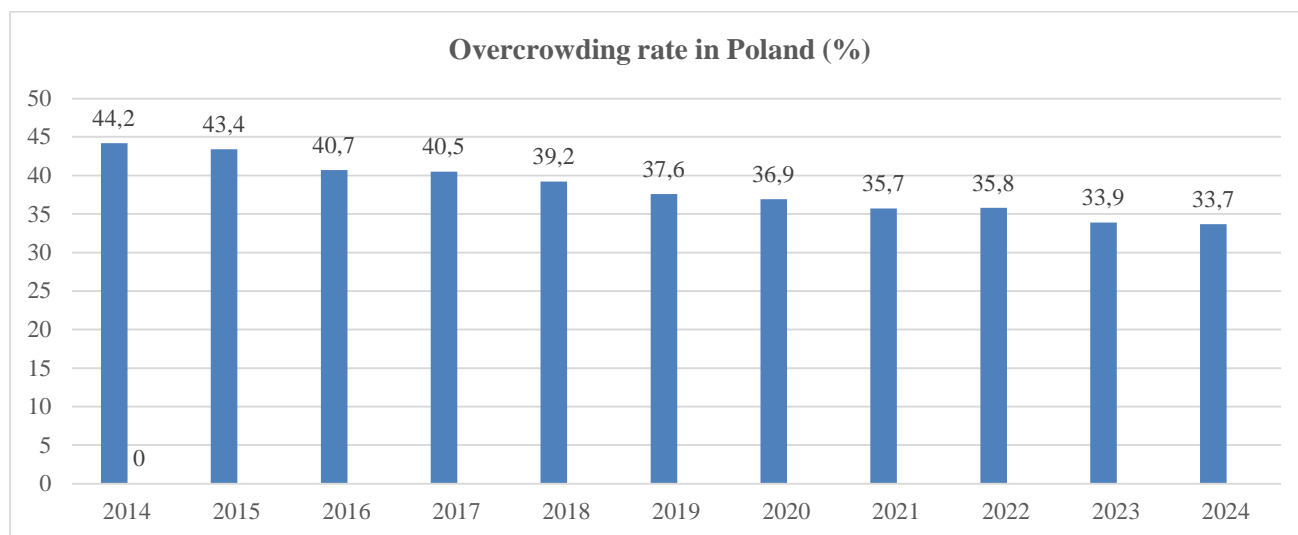
The total number of dwellings in Poland as at the end of 2023 was over 15.7 million (source: Central Statistical Office (the “GUS”)).

According to the Deloitte “Property Index” report published in August 2025, the number of dwellings per 1,000 citizens in Poland reached 426 in 2024. Even though this number has been gradually improving, it is still much lower than an average of 450 in countries selected by Deloitte and one of the lowest in Europe. This indicates that Polish residential property market still has considerable development potential.

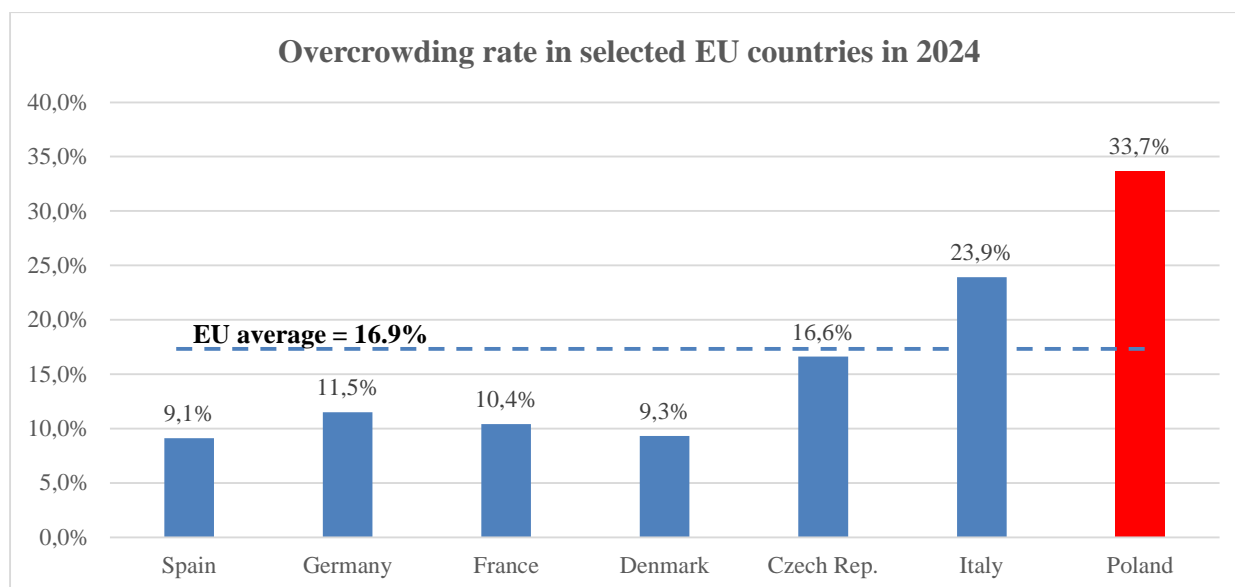


Source: Deloitte Property Index 2025

The availability of sufficient dwelling space is an important element of the quality of housing conditions. One of the indicators used to describe the problem of adequate living space is the overcrowding rate, which assesses the proportion of people living in an overcrowded dwelling, as defined by the number of rooms available in a household, the household’s size, as well as its members’ ages and family situation. As at the end of 2024, Poland’s overcrowding rate was 33.7 per cent., down by 10.5 percentage points since 2014. The overcrowding rate is one of the highest in the EU, where the average overcrowding rate as of 2024 was 16.9 per cent. The Bank believes that the high overcrowding rate is one of the principal factors of the increasing demand for new houses and apartments and, as a consequence, increasing demand for residential loans.



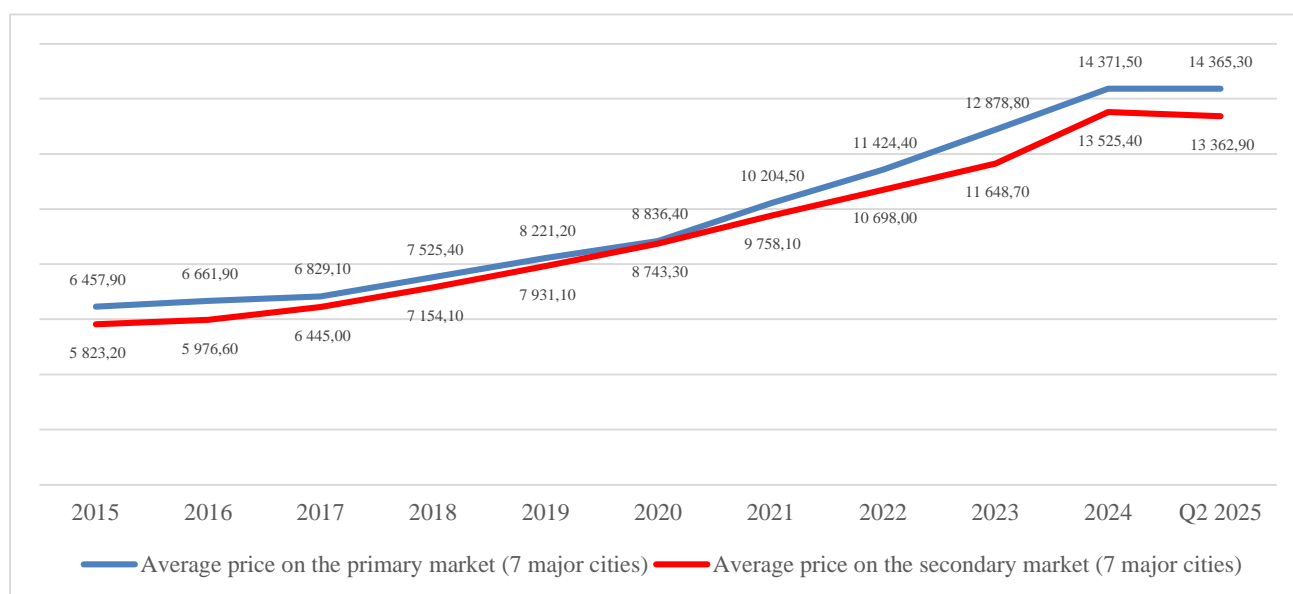
Source: EUROSTAT



Source: EUROSTAT

The number of completed dwellings in Poland has been growing on average over the last five years by more than 200,000 per year.

Transaction prices of residential properties in Poland (PLN per square meter)



Source: GUS and NBP

In 2024, real estate prices continued to rise, influenced by the fact that more than 200,000 new residential units were completed in 2024, placing Poland among the top four European countries in terms of construction. In the first half of 2025, residential property prices in Poland decreased by 0.59% on the primary market and decreased by 1.37% on the secondary market (transaction prices in 7 major cities) compared to the previous quarter. Compared to the same period in 2024, residential property prices increased by 2.23% on the primary market and 1.57% on the secondary market (transaction prices in 7 major cities).

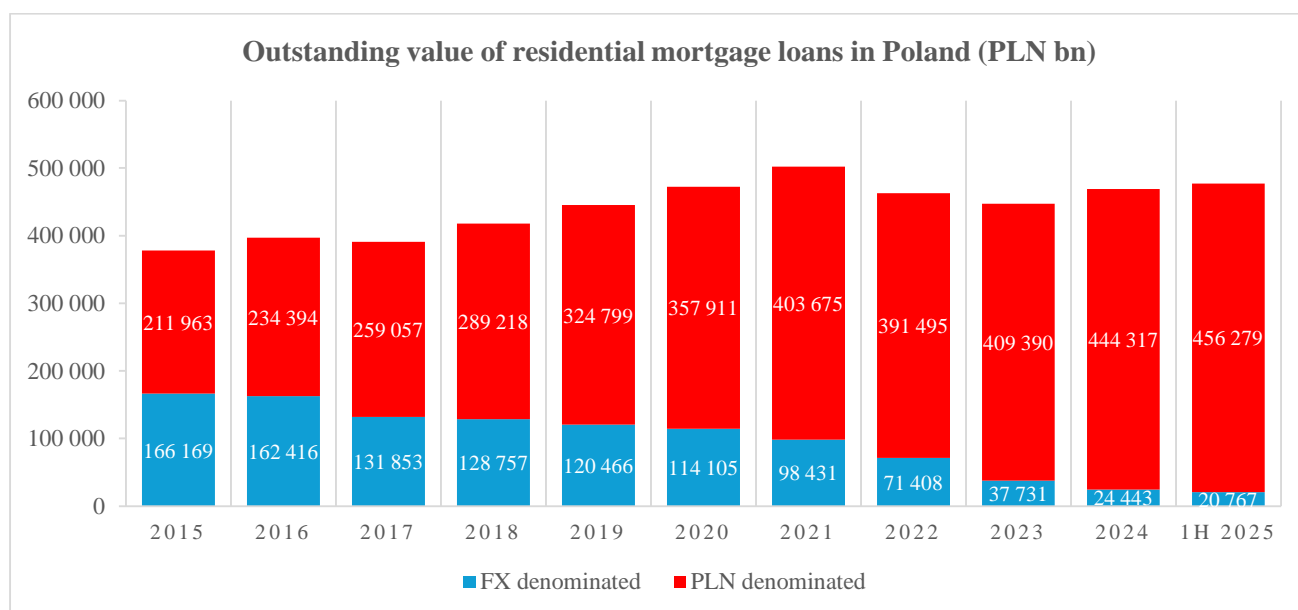
The Polish loans for houses market

Based on NBP data, banks' receivables from loans for houses in Poland were PLN 480.6 billion as at 31 July 2025 (4.5% y/y). According to BIK data, 2024 ended with a significant increase in the value of loan and credit portfolios and a significant increase in newly granted liabilities. At the end of July 2025, the total amount of all retail loans and credits outstanding reached a record PLN 779.1 billion (+11.1% y/y).

The year 2023 saw an increase in new housing loans. This was due to several factors. Firstly, in June 2023 amendments to Recommendation S decreased the PFSA-recommended buffer applied for creditworthiness calculation, which increased the creditworthiness of housing loan borrowers. Secondly, the NBP interest rate lowered the price of credit. Thirdly, the launch of the 2% safe loan programme enhanced credit availability even further for the group of borrowers who satisfy the criteria to benefit from the programme. In 2023, the total value of housing loans granted amounted to PLN 64.1 billion, while in 2024 it reached PLN 87.3 billion. In the first half of 2024, lending totalled PLN 46.7 billion, compared to PLN 45.9 billion in the first half of 2025. In June 2025, the value of housing loans granted amounted to PLN 8.6 billion, which represents an increase of 38.7% compared to June 2024. However, it should be noted that PLN 13.6 billion of the 2024 lending was still derived from loan applications submitted under the 2% program. The value of cash loans taken out reached PLN 94.9 billion, recording a year-on-year increase of 28.6%.

Initially, Polish housing loans were strongly dominated by loans with a floating interest rate, but in 2021 banks started expanding their offer of loans based on a fixed interest rate. The increase of interest rates changed the structure of newly signed loans for houses in favour of the loans with a fixed interest rate. According to the PFSA, more than 60% of the loans granted in the first half of 2023 were loans based on a periodically fixed interest rate.

As of December 2024, about 5.2% of the outstanding loans for houses were denominated in foreign currency, which is a significant decrease from 43.9% in 2015. In July 2025, the share of housing loans denominated in foreign currencies fell further to 4.3%.



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	1H 2025
PLN denominated	211 963	234 394	259 057	289 218	324 799	357 911	403 675	391 495	409 390	444 317	456 279
FX denominated	166 169	162 416	131 853	128 757	120 466	114 105	98 431	71 408	37 731	24 443	20 767
Total	378 132	396 810	390 910	417 975	445 265	472 016	502 106	462 903	447 121	468 760	477 046

Source: NBP, PFSA

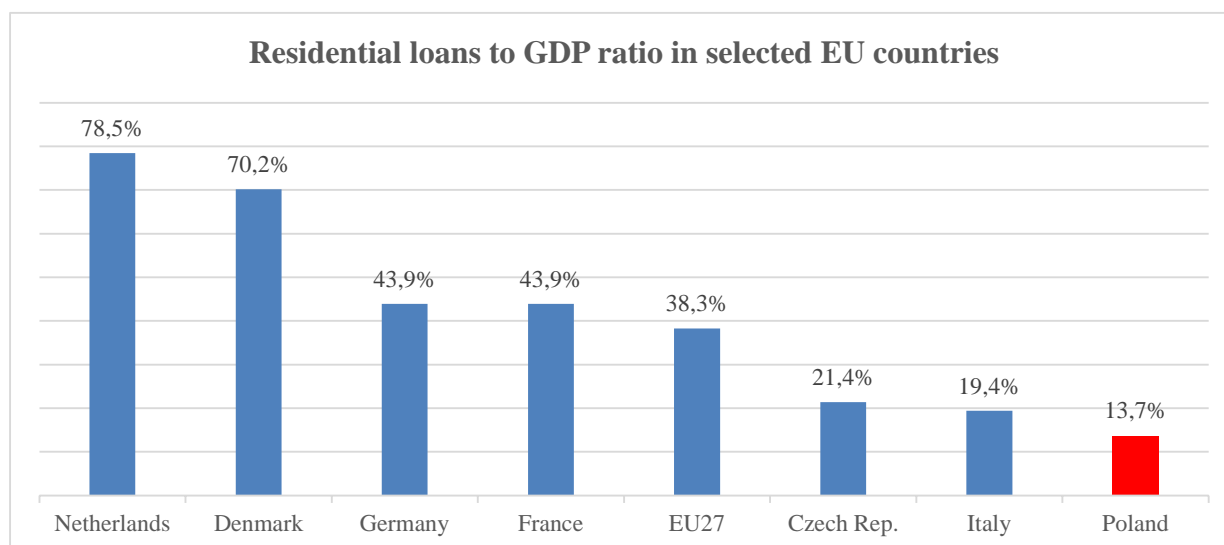
Number and value of newly signed residential mortgage loans

However, it should be noted that PLN 13.6 billion of the 2024 lending was still derived from loan applications submitted under the 2% program. The lending activity from applications submitted only in 2024 thus amounted to PLN 73.5 billion. The value of cash loans taken out reached PLN 94.9 billion, recording a year-on-year increase of 28.6%. In 2024, the share of housing loans taken out by foreigners increased, reaching 7.4% of the total lending in this segment in December. The housing loan market grew mainly in terms of value, driven by high-value housing loans exceeding PLN 600,000. The market recorded positive year-on-year growth of almost 115%. This was influenced by price increases in the real estate market and an increase in creditworthiness despite the highest interest rates on housing loans in the European Union.

Total Outstanding Residential Loans to GDP ratio (% , 2024)

The total balance of residential loans in relation to the Gross Domestic Product stood at 13.7% at the end of 2024. This amount was significantly below the average for EU Member States, which according to data as at the end of 2024 was at 38.3%. This shows the large development potential of the residential loan market in Poland.

Residential Loans to GDP Ratio in Selected EU Countries as of 31 December 2024



Source: Hypostat 2025 (by European Mortgage Federation)

Prospects for the development of the Polish residential real estate market

In 2024, the residential construction market in Poland was active, although with noticeable changes compared to previous years. In 2024, 200,400 dwellings were completed, i.e. 20,900 fewer than in 2023. Their usable floor space amounted to 17.8 million m². In 2024, developers built 62.3% of all newly completed apartments, which represents an increase in the total share by 0.1 percentage points y/y, while individual investors built 34.8%, which represents a decrease by 1.1 percentage points. In relation to 2023, the number of new residential buildings put into use decreased and amounted to 87,900. Among them, single-family buildings dominated, accounting for 97.2% of the total. In 2024, construction began on 233,800 dwellings, i.e. 23.7% more than in 2023. Dwellings intended for sale or rent accounted for 65.2% of the total, while dwellings in individual construction accounted for 32.8%. The remaining 2.0% were cooperative, municipal, social rental and company apartments. In 2024, 200,400 dwellings were completed, i.e. 20,900 fewer than in 2023. Forecasts for the residential construction sector in Poland for the coming years indicate moderate growth, but with certain challenges. The market may stabilise, but inflation and problems with construction materials may complicate developers' plans.

Covered bonds and mortgage banks market

The Polish mortgage covered bond market is relatively small and moderately liquid. At the end of December 2024, the total value of outstanding mortgage covered bonds issued by the mortgage banks operating in Poland amounted to PLN 17.1 billion, i.e., PLN 1.4 billion less than at 31 December 2023. As at 31 December 2024, mortgage covered bonds issued by Polish banks corresponded to 3.44% of the amount of residential loans granted by banks. For comparative purposes, in 2023 in Germany the ratio was 15.8%, and in the Czech Republic 19.9%.

As at the date of this Base Prospectus, there are five mortgage banks operating in Poland: the Bank, ING Bank Hipoteczny S.A., mBank Hipoteczny S.A., Pekao Bank Hipoteczny S.A., and PKO Bank Hipoteczny S.A. These mortgage banks operate only in Poland.

The total value of mortgage bonds issued by Polish mortgage banks and outstanding as at 30 June 2025 amounted to PLN 18.5 billion (an increase of 9.1% y/y). The largest market share in terms of the total amount of mortgage-backed securities outstanding at the end of the first half of 2025 was recorded by PKO Bank Hipoteczny S.A. (41.9%) and mBank Hipoteczny S.A. (35.2%). The Bank's market share was 8.7%.

Bank	Nominal value of issued mortgage covered bonds as of 30 June 2025 (in PLN billion)
The Bank	1.6
PKO Bank Hipoteczny S.A.	7.7
mBank Hipoteczny S.A.	6.5
Pekao Bank Hipoteczny S.A.	2.1
ING Bank Hipoteczny S.A.	0.5

Source: PFSA

Legal environment

New Polish regulations on banking outsourcing

The Law of 16 August 2023 on Amending Certain Laws in Connection with Ensuring the Development of the Financial Market and the Protection of Investors in This Market introduced changes to provisions of the Polish Act dated 29 August 1997 – Banking Law (*ustawa z dnia 29 sierpnia 1997 r. – Prawo bankowe*; the “**Banking Law**”) regarding outsourcing the activities of Polish banks, including the Bank.

Pursuant to the new regulations, mortgage banks were exempted from the general prohibition on outsourcing of bank management activities, in particular the management of risks related to conducting banking activities, including the management of assets and liabilities, the assessment of creditworthiness and analysis of credit risk, and the activities of carrying out a bank's internal audit, provided that these activities are outsourced to a national bank that is the sole shareholder of the mortgage bank. The new regulations indicate that mortgage banks bear full responsibility for the liabilities arising from such outsourcing.

In addition, mortgage banks are obliged to notify the PFSA of their intention to conclude such an outsourcing agreement. The PFSA has the power to object to the conclusion of such agreement in certain cases, among others, if the national bank to be entrusted with the performance of activities is in the process of implementing a recovery plan, or it would jeopardize the stable management of the mortgage bank, including adversely affecting the safe and proper performance of the entrusted activities, as well as the safety of the issued mortgage bonds. Moreover, the new law expanded the scope of documents and information that the PFSA may request from a bank in connection with its notice of intention to enter into an outsourcing agreement.

Specific Requirement for the Banks

Engaging in banking activities involves meeting multiple regulatory obligations, most of which follow directly from the provisions of the Banking Law, and from resolutions, ordinances and recommendations made by the PFSA. The most important obligations concern a bank's own funds, the capital adequacy ratio, the leverage ratio, exposure concentration, risk management systems and financial management conducted by a bank.

Banks have a duty to protect banking secrecy. Regulations on personal data protection are particularly important for the functioning of banks in order to protect individual customers. Personal data may be processed exclusively in compliance with detailed regulations, using technical and organizational resources which ensure the protection of personal data against unauthorised processing, including making it available to third parties.

The Bank must also comply with regulations for preventing the financial system from being used for the purpose of money laundering and terrorist financing.

Certain restrictions also apply if banks retain any third parties for the performance of banking activities for and on behalf of the bank, or for the performance of any banking-related operations.

Banking Supervision Exercised by the PFSA

In Poland, banking supervision is currently exercised by the PFSA and covers in particular:

- assessing the financial position of banks, including analysing liquidity, the quality of assets, solvency and the financial results of banks;
- estimating, maintaining and reviewing internal capital;
- auditing the quality of risk management systems, and in particular of the risk management system and internal control system;
- auditing the compliance of banks' activities with the appropriate regulations; and
- monitoring and controlling banks' compliance with exposure concentration limits and standards for risk acceptable in their operations as determined by the PFSA.

The PFSA has wide powers and legal instruments which enable it to supervise banks (including the ability to carry out inspections).

Other Supervisory Authorities

Some areas of banking operations are subject to the supervision of other public administration authorities, the most important of which are:

- the OCCP, regarding protecting market competition and consumers' collective rights;
- the Head of the Data Protection Office, regarding collecting, processing, managing and protecting personal data; and
- the minister responsible for financial institutions and the General Inspector for Financial Information regarding the prevention of money laundering and the financing of terrorism.
- the BFG, regarding the guarantee of deposits and the resolution of threatened banks.

Regulation of mortgage loans

The Mortgage Credit Act, which implements the Mortgage Credit Directive into Polish law, came into force on 22 July 2017.

The general purpose of the Mortgage Credit Act is to improve the position of borrowers who purchase real estate. The Mortgage Credit Act introduces restrictions on granting mortgage loans such as restrictions on currencies in which a loan may be granted, which depend on the currency of the borrower's income. Banks will be allowed to tie mortgage loans with other products except the auxiliary bank account free of charge (which does not concern Polish mortgage banks as they are not allowed to maintain bank accounts for their clients). This does not affect the cross-selling that respects the borrower's right to choose a standalone mortgage loan or other combined offer. Additionally, while a bank may require the borrower to insure the property financed with the mortgage loan and to assign this insurance to the bank, the bank may not restrict the borrower's ability to choose an insurer, as long as the insurance policy meets the criteria stipulated by the bank. The Mortgage Credit Act imposes several mortgage loans information requirements on banks. The first requirement is in respect of advertisements concerning mortgage loans, which must provide detailed information about, and refer to all important

features of, the mortgage loans. The next is the offer information, which must be presented in a special information sheet and submitted to the customer after getting acquainted with his credit needs. The information sheet is binding on a bank for 14 days. Banks are also obliged to issue a credit decision within 21 days of the date of a loan application and to justify the refusal of granting a loan. The third requirement is in respect of the content of the loan agreement, which is also strictly regulated. It includes a customer's right to withdraw from the loan agreement within 14 days of the date of signing the agreement. Therefore, these regulations have demanded some changes in the process of originating mortgage loans. The Mortgage Credit Act introduces licensing requirements for brokerage and agent services regarding mortgage loans. Moreover, it introduces regular training requirements as a condition of maintaining the licence. Banks are also required to conduct regular training of their employees involved in mortgage loan origination processes.

Moreover, the Polish Civil Code provides a cap for the maximum interest rates that may be charged by a bank under a loan agreement. As at the date of this Base Prospectus, this cap is twice the sum of the applicable reference rate of the NBP and 3.5 per cent. The maximum interest rate on overdue principal is twice the sum of the applicable reference rate of the NBP and 5.0 per cent.

Bank Guarantee Fund

The BGF covers the monetary assets deposited in bank accounts or receivables regarding claims confirmed by documents issued by banks with a guarantee system. Participation in the guarantee system is mandatory for all Polish banks and in certain instances for branches of foreign banks operating in Poland. Banks covered by the guarantee system make mandatory annual payments to the BGF and are obliged to set up a guaranteed funds protection fund. The mandatory guarantee system ensures that if a bank becomes insolvent, the funds deposited in bank accounts, up to an amount specified in the regulations, are returned. As at the date of this Base Prospectus, funds up to an amount equivalent to EUR 100,000 per single person regarding deposits in all accounts in a given bank are fully covered by the guarantee system. Funds deposited, in particular, by government administration authorities, other banks, credit institutions, insurance companies and investment and pension funds are not covered by the guarantee system.

Additionally, the BGF is the Polish resolution authority. Under the BRRD and the Act on the Bank Guarantee Fund, the BGF is authorised to commence resolution proceedings with respect to banks operating in Poland. The BGF has at its disposal a wide range of legal instruments during resolution proceedings, including the power to write down debt instruments issued by a bank or to convert them into shares of the bank.

Institutional Protection Scheme for Commercial Banks

On 10 June 2022, the PFSA approved the agreement and recognised the institutional protection scheme created in accordance with Article 130c of the Banking Law by eight Polish commercial banks (Bank Millennium, Alior Bank S.A., BNP Paribas Bank Polska S.A., ING Bank Śląski S.A., mBank S.A., Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Santander Bank Polska S.A.). The above-mentioned banks signed the protection scheme agreement and established the managing entity operating in the form of a joint stock company, System Ochrony Banków Komercyjnych S.A. ("SOBK"). The protection scheme can be joined by other local banks provided they satisfy the terms and conditions set out in general law and in the protection scheme agreement. As part of the system, an aid fund has been established to which the participating banks provided cash contributions. Further contributions to the aid fund will require a unanimous resolution of the general meeting of shareholders of the SOBK. The aid fund may be used to ensure liquidity and solvency the participants of the scheme, support resolution of a bank conducted by the BGF and the takeover of a bank being a joint-stock company pursuant to Article 146b, paragraph 1 of the Banking Law.

Consumer Protection

The Consumer Credit Act dated 12 May 2011 (as amended), the Civil Code regulations and other consumer protection laws impose on banks several obligations relating to agreements signed with natural persons who perform actions which are not directly related to their business or professional activities (consumers). The most important of these are the requirements to inform consumers about the cost of extended credit and loans and to include specified terms in consumer loan agreements as well as a prohibition on including specific clauses which are unfavourable to consumers in agreements. If a customer loan agreement does not meet certain requirements of the Consumer Credit Act, the borrower is authorised under the law to repay the loan in the principal amount with interest accrued until the prepayment date. In some circumstances, the borrower may be authorised to repay only the principal amount, without interest, fees or any other amounts due to the bank under the loan agreement.

There is a cap on the maximum interest rates which a bank may charge under a loan agreement. The maximum interest rate is capped at two times the sum of the applicable reference rate of the NBP and 3.5 per cent.

The Law of 7 July 2023 on Amending Certain Laws to Reduce Some of the Effects of Identity Theft has introduced further restrictions on banks regarding, *inter alia*, loans taken out by consumers. As of 1 June 2024, if at the time of the conclusion of a loan agreement or an annex to such agreement resulting in an increase of the debt the PESEL number of the consumer

was reserved in the register of reservations of PESEL numbers, the bank may not demand that the consumer satisfy a claim arising from the conclusion of the agreement, i.e., repayment of the relevant loan.

Personal Data Protection

In light of the large number of individuals serviced by banks, all the regulations concerning personal data protection are of particular importance to banking operations. Personal data may be processed exclusively in compliance with specific regulations, while applying technical and organizational means that ensure the protection of personal data, particularly from disclosure to any unauthorised parties. Additionally, the persons to whom such data relates should have the right to access all of their personal data and to correct it.

The GDPR entered into force on 25 May 2018. It imposes new obligations and guidelines on companies in the management and processing of personal data. This means a significant change for companies in their approach to the security of data storage and the issue of making it available to the relevant employees.

The key consequences resulting from the GDPR's implementation are as follows:

- the definition of personal data, including identifying the person to whom the data relates, will be much broader;
- automated processing of personal data will be permitted under certain conditions;
- the legal rights of individuals will be increased considerably;
- personal data processors, controllers and data protection officers will have many new obligations relating to the technical and organizational protection of personal data; and
- administrative fines for non-compliance with the Regulation could reach EUR 20 million or 4 per cent. of an organization's annual worldwide turnover.

Moreover, individuals will have the right to judicial redress and to claim compensation in excess of the statutory fines.

DESCRIPTION OF THE BANK

History and development of the Bank

Date	Event
16 June 2020	issuance by the PFSA of a permit to establish the Bank
2 February 2021	approval by the PFSA of the Mortgage Lending Value Regulations
20 May 2021	issuance by the PFSA of a permit to commence operations; appointment of a cover pool monitor and deputy cover pool monitor for a term of six years.
14 June 2021	commencement of operations by the Bank.
12 June 2024	first covered bonds issue by the Bank

Place of registration of the Bank and its registration number

On 18 August 2020, the Bank was entered in the register of entrepreneurs of the National Court Register under number 0000852039 pursuant to the decision of the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register.

Currently, the court where the Bank's registration files are kept is the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register.

Date of establishment of the Bank and the period for which it was established

The Bank was established on 9 July 2020 for an indefinite period.

The Banks ownership

Shares in the Bank are entirely owned by Bank Millennium.

Registered office, legal form of the Bank, legal provisions on the basis of and in accordance with which the Bank operates, country, registered office, address and telephone number of its registered office

Name:	Millennium Bank Hipoteczny S.A.
Legal form:	joint-stock company
Country of registration:	Poland
Registered office and address of the Bank:	Warszawa, ul. Stanisława Żaryna 2A, 02-593 Warszawa
Phone number:	+48 22 598 17 26
E-mail address:	info@millenniumbh.pl
Website:	https://www.millenniumbh.pl
KRS:	0000852039
REGON:	386797947
NIP:	521-390-45-67
LEI code:	259400GY0GUD59VMVV94
Legal regulations governing the Bank's operations:	The Bank operates on the basis of the Commercial Companies Code, the Banking Law, and the Act on Covered Bonds and Mortgage Banks

Ratings assigned to the Bank

The Bank has not been assigned any ratings as at the date of this Prospectus. The Bank's outstanding covered bonds have been assigned the AAA rating (negative outlook) by Fitch Ratings. Revision of the outlook on the Bank's outstanding covered bonds rating on 9 September 2025 was a result of the revision of the outlook on Poland's Local-Currency Long-term Issuer Default Rating (IDR) to negative from stable by Fitch on 5 September 2025.

Ratings assigned to Bank Millennium

Bank Millennium has been assigned following ratings as set forth in the tables below.

Ratings assigned by Moody's Investors Service Cyprus Ltd:

Rating	Value
Long-term deposit rating.....	Baa2 (positive outlook)
Short-term deposit rating.....	Prime-2
Standalone BCA	ba2
Counterparty risk (CR Rating).....	Baa1/Prime-2

Source: Bank Millennium

Ratings assigned by Fitch Ratings:

Rating	Value
Issuer Default (IDR)	BBB-
National Long-term IDR	A- (pol)
Short-term	F3
Viability	bbb-
Shareholder Support Rating (SSR).....	b+
Rating Outlook.....	stable

Source: Bank Millennium

Description of the Bank's planned financing of its operations and significant changes in the Bank's credit and financing structure since 31 December 2024

The Bank is a mortgage bank. Therefore, the Bank's core source of financing will be covered bonds issues. In addition to covered bond issues, the Bank intends to finance its operations with financing from Bank Millennium, which may be obtained in the form of loans, credits or deferral of payment of the price for mortgage receivables acquired by the Bank from Bank Millennium.

On 6 August 2021, the Bank entered into a financing agreement with Bank Millennium for a revolving credit facility to finance the Bank's acquisition of mortgage receivables from Bank Millennium, initially up to PLN 700 million, and an overdraft facility intended to finance the Bank's current operations up to PLN 50 million (the "**Financing Agreement**").

On 8 April 2025, the Bank and Bank Millennium executed another annex to the Financing Agreement, under which the total credit limit was increased to PLN 4 billion. At the same time, a provision was introduced stating that the granted credit limit may also be used for working capital credit facilities (up to PLN 2 billion), provided that the total debt under the revolving credit facility and working capital credit facilities does not exceed PLN 4 billion.

The financing from Bank Millennium was granted on market terms and its floating interest rate is based on WIBOR rate or on a fixed rate index plus a market margin. As a result of the eighth purchase of receivables by the Bank and the third issue of covered bonds, the amount of the revolving credit facility as at 30 June 2025 was PLN 1,620 million and the Bank did not utilize the overdraft facility. The use of financing facilities obtained by the Bank from Bank Millennium is evolving in line with the Bank's regular activities (e.g., additional purchases of receivables); however, since 8 April 2025, the limits of financing facilities have not been further increased.

The current financing limits available to the Bank are adjusted to the scale of its operations and will be increased as the Bank grows.

Brief description of the Bank's core business, indicating the main categories of products sold or services provided

The scope of the Bank's possible activities is strictly regulated by the Act on Covered Bonds and Mortgage Banks. As part of its activities, the Bank acquires receivables of other banks from loans secured by mortgages on residential real estate (§5, point 1) of the Articles of Association). The Bank acquires receivables from loans granted exclusively in PLN.

The receivables acquired by the Bank under mortgage-secured loans, which are to be entered in the register of mortgage-secured covered bonds, are secured by first-ranking mortgages entered in the land and mortgage register kept for residential real estate. The mortgage lending value is determined by the Bank in accordance with the mortgage lending value regulation.

In addition, the receivables acquired by the Bank under mortgage-secured loans are secured by the transfer of monetary claims under a fire and other accident insurance agreement for the real estate on which the mortgage securing the loan has been established.

Pursuant to the Act on Covered Bonds and Mortgage Banks, the Bank is required to maintain and store a register of collateral for covered bonds, in which the following items are entered separately:

- the Bank's receivables secured by a first-ranking mortgage entered in the land and mortgage register, constituting a basis for the issuance of covered bonds;
- rights and funds referred to in Article 18(3) and (4) of the Act of 29 August 1997 on Covered Bonds and Mortgage Banks (Journal of Laws 1997 No. 140, item 940) (the “**Act on Covered Bonds and Mortgage Banks**”), constituting the basis for the issuance of covered bonds; and
- funds constituting the surplus referred to in Article 18(3a) of the Act on Covered Bonds and Mortgage Banks.

The Bank maintains a register of collateral for covered bonds in accordance with the template specified in PFSA Resolution No. 633/2015 of 1 December 2015. A mortgage bank cannot dispose of the assets included in the cover pool without the prior written consent of the cover pool monitor or deputy cover pool monitor. By the seventh day of each month, the cover pool monitor or deputy cover pool monitor must provide the PFSA with a certified copy of the entries in the covered bond security register for the previous month.

The Bank is further required to maintain a covered bond security account in order to monitor compliance with the following requirements in the long term:

- the sum of the nominal amounts of the Bank's claims secured by a mortgage and the rights and measures referred to in Article 18(3) and (4) of the Act on Covered Bonds and Mortgage Banks, entered in the covered bond security register, constituting the basis for the issue of mortgage covered bonds, may not be lower than 105% of the total nominal value of mortgage covered bonds in circulation, provided that the sum of the nominal amounts of the Bank's claims secured by mortgages, constituting the basis for the issue of mortgage covered bonds, may not be lower than 85% of the total nominal value of mortgage covered bonds in circulation;
- the Bank's income from interest on mortgage-backed receivables or receivables referred to in Article 3(2) of the Act on Covered Bonds and Mortgage Banks rights and funds referred to in Article 18(3) and (4) of the Act on Covered Bonds and Mortgage Banks, may not be lower than the interest costs on covered bonds in circulation.

Furthermore, the Bank is required to maintain a surplus, created from assets qualifying as Level 1, 2A or 2B assets under Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to the liquidity coverage requirement for Credit Institutions (“**Regulation 2015/61**”), in an amount not lower than the maximum cumulative net liquidity outflow over the next 180 days. The funds allocated to this surplus may not be used as collateral for covered bonds.

In order to monitor compliance with the requirements of the Act on Covered Bonds and Mortgage Banks, the Bank performs coverage tests and liquidity tests. The coverage test verifies whether the Bank's receivables and the rights and funds entered in the covered bond register are sufficient to fully satisfy the holders of covered bonds. The liquidity test consists of determining whether the Bank's receivables and the rights and funds entered in the covered bond register are sufficient to fully satisfy the holders of covered bonds in the event of a 12-month extension of the maturity dates of the Bank's liabilities arising from mortgage covered bonds in circulation. The coverage test is performed at least every six months, and the liquidity test at least every three months. These tests are also performed in the event of the Bank's bankruptcy.

The PFSA, at the request of the Bank's Supervisory Board (the “**Supervisory Board**”), appoints a cover pool monitor and his deputy for a term of six years. The cover pool monitor and his deputy are not employees of the Bank, are independent and are not subject to the instructions of the body that appointed them. The cover pool monitor's tasks include verifying whether:

- the liabilities arising from mortgage covered bonds in circulation are secured by the Bank in accordance with the provisions of the Act on Covered Bonds and Mortgage Banks;
- the mortgage lending value adopted by the Bank has been established in accordance with the mortgage lending value

regulation;

- the Bank complies with the limits specified in Article 18 of the Act on Covered Bonds and Mortgage Banks;
- the results of the coverage test and liquidity test (referred to above) confirm that the Bank's claims and the rights and measures referred to in Article 18(3), 3a and 4 of the Act on Covered Bonds and Mortgage Banks, entered in the covered bond security register, are sufficient to fully satisfy the holders of covered bonds;
- the manner in which the Bank maintains the covered bond security register complies with the provisions of the Act on Covered Bonds and Mortgage Banks; and
- the Bank ensures, in accordance with the provisions of the Act on Covered Bonds and Mortgage Banks, security for the planned issue of covered bonds and verification that the relevant entries have been made in the covered bond security register.

In the event that the Bank fails to comply with the requirements referred to in Article 18 of the Act on Covered Bonds and Mortgage Banks or if the result of the coverage ratio test or liquidity test is not positive, the cover pool monitor must immediately notify the PFSA.

Main market

The Bank's main market is the Polish residential real estate market and the covered bond market.

The mortgage covered bond market in Poland

Mortgage covered bonds have been present on the Polish capital market since 2000. Pursuant to the laws in force in Poland, mortgage covered bonds may only be issued by specialist banks, i.e., mortgage banks. As at the date of this Base Prospectus, the following mortgage banks operate in Poland: the Bank, ING Bank Hipoteczny S.A., mBank Hipoteczny S.A., Pekao Bank Hipoteczny S.A. and PKO Bank Hipoteczny S.A.

The Polish mortgage covered bond market is relatively small and moderately liquid. At the end of June 2025, the total value of outstanding mortgage covered bonds issued by the mortgage banks operating in Poland amounted to PLN 18.5 billion, which constitutes a change of 9.1% y/y. As at 30 June 2025, mortgage covered bonds issued by Polish banks corresponded to 3.7% of the amount of residential loans granted by banks. For comparative purposes, in 2023 in Germany the ratio was 15.8%, and in the Czech Republic 19.9%.

The Bank, as at the date of this Prospectus, issued the series of covered bonds specified in the table on page 73 below. The total nominal value of covered bonds issued by mortgage banks operating in Poland and outstanding as at 30 June 2025 was as follows:

Mortgage bank	Nominal value of issued mortgage covered bonds
	as of 30 June 2025 (in PLN billion)
PKO Bank Hipoteczny S.A.	7.7
mBank Hipoteczny S.A.	6.5
Pekao Bank Hipoteczny S.A.	2.1
Millenium Bank Hipoteczny S.A.	1.6
ING Bank Hipoteczny S.A.	0.5

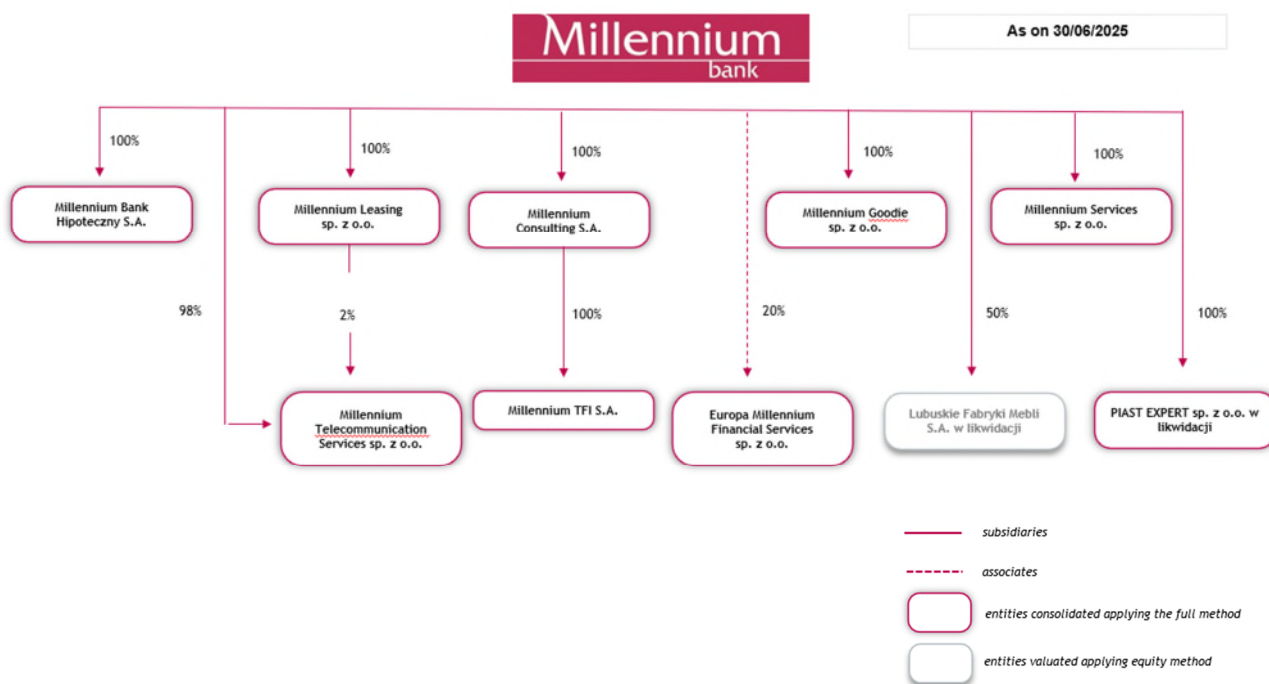
Source: PFSA

CORPORATE STRUCTURE

Brief description of the Bank's group and the Bank's position within the group

The Bank is a member of the Bank Millennium Group. The Group consists of Bank Millennium and its subsidiaries (direct and indirect). Bank Millennium is a universal bank providing financial services to individuals and business entities. In addition, the Group includes other entities providing financial services, in particular leasing and investment fund activities, as well as an entity operating the “goodie” smart shopping platform together with Bank Millennium. The Group operates in Poland and is part of the Banco Comercial Portugues group, which operates mainly in Portugal and Poland. The parent company of the Banco Comercial Portugues group is Banco Comercial Portugues, S.A., a leading Portuguese bank with its registered office in Porto.

The diagram below presents the structure of the Group as at 30 June 2025:



The Bank is a wholly owned subsidiary of Bank Millennium, the main entity of the Group.

The Bank's business model is based on strategic cooperation with Bank Millennium in order to ensure continuity of service and maintain the standard of service to borrowers whose receivables are transferred to the Bank. In addition, the cooperation between the Bank and Bank Millennium is aimed at achieving business synergies within the Group, which are to ensure not only the efficiency of the Bank's operations, but also the security of the processes handled and the compliance of the Bank's operations with the standards implemented in the Group. Detailed rules of cooperation between the Bank and Bank Millennium are set out in an outsourcing agreement concluded on 14 June 2021, while the basic principles of cooperation between the Bank and Bank Millennium provide that decision-making and management activities will be performed by the Bank, and Bank Millennium will perform, among other things, activities related to the operational servicing of the mortgage loan portfolio, ICT and security services. Furthermore, the Bank cooperates with Bank Millennium on the basis of separate support agreements for the provision of services for specific areas of the Bank's operations.

The Bank and Bank Millennium also cooperate closely in the transfer of receivables from mortgage loans granted by Bank Millennium to the Bank. The terms of this cooperation are set out in a framework agreement for the sale of receivables concluded between the Bank and Bank Millennium on 1 June 2021.

In addition, Bank Millennium provides financing to the Bank. Bank Millennium will ensure that its own funds are maintained at all times at least at the level required by law and the regulations of the financial supervisory authority. Bank Millennium undertakes to promptly provide the Bank with adequate capital support, in particular in the event of a risk of capital ratios falling below the required level, or failure to meet prudential standards under the Act on Covered Bonds and Mortgage Banks. The Bank will also maintain liquidity at no less than the level required by law and supervisory regulations. Bank Millennium commits to promptly provide any necessary support if circumstances arise that could threaten the Bank's liquidity. Information on the other financing provided by Bank Millennium to the Bank is available on pages 84-85.

The Bank's current strategy

The Bank's current strategy is based on the following main priorities: (i) ensuring long-term and effective financing for assets transferred from Bank Millennium; operating with the use of experience and expertise available within the Group; (iii) transfer of loans already in Bank Millennium's portfolio, as well as new loans granted by Bank Millennium, taking into account the criteria qualifying the exposures for transfer to the Bank; and (iv) issue of covered bonds denominated both in PLN and in EUR on domestic and foreign markets.

The Bank's cover pool

All loans in the Bank's cover pool are PLN-denominated mortgage loans to private individuals. The nominal value of loans entered in the Bank's cover pool representing collateral for the covered bonds issued totalled PLN 2,856.6 million at 30 June 2025.

As of 5 October 2021 the Bank implemented an option allowing changing interest rates from variable to periodically fixed over five years of the loan (annexing the loan contract) for the whole loan portfolio.

As at 30 June 2025, 87.9% of the loans in the cover pool were floating rate loans with the interest rate based on WIBOR for three and six months, while 12.1% of the loans were periodically fixed rate loans. As at 30 June 2025, the average contractual maturity of loans in the cover pool was 19.2 months (weighted average).

The Polish Covered Bonds Act sets out the detailed eligibility criteria for a loan to be included in the cover pool. For a description of these criteria, see “*Overview of the Polish Covered Bonds Legislation – Composition of the Cover Pool.*”

The Bank periodically publishes information regarding its issuances of mortgage covered bonds.

Covered bonds portfolio

The following table shows the outstanding covered bonds issued by the Bank as at the date of this Base Prospectus:

Series	Principal	Issue date	Maturity date	Coupon	Rating
<i>(denominated in PLN)</i>					
1	300,000,000	12 June 2024	11 June 2027	WIBOR3M+0.57%	AAA/negative (Fitch Ratings) ¹
2	500,000,000	5 November 2024	5 November 2029	WIBOR3M+0.80%	AAA/negative (Fitch Ratings) ²
3	500,000,000	12 March 2025	12 March 2030	WIBOR3M+0.89%	AAA/negative (Fitch Ratings) ²
3-2	300,000,000	12 March 2025	12 March 2030	WIBOR3M+0.89%	AAA/negative (Fitch Ratings) ²

¹ In the past, the covered bonds were rated AA+/positive (Fitch Ratings' report dated 12 June 2024) and AAA/stable (Fitch Rating's report dated 3 July 2024). The current rating is based on Fitch Ratings' report dated 9 September 2025.

² In the past, the covered bonds were rated AAA/stable (Fitch Rating's report dated 3 July 2024). The current rating is based on Fitch Ratings' report dated 9 September 2025.

The PLN-denominated covered bonds were issued under the Bank's domestic issuance programme.

Risk Management

Introduction

The mission of risk management at the Bank, in line with the approach applied within the Group, is to ensure that all types of risk are appropriately identified, managed, monitored, and controlled in accordance with the adopted risk profile and the nature and scale of the Bank's operations.

The objectives of risk management are achieved through the following activities:

- development of a risk management strategy, credit policy, processes, and procedures defining the principles for accepting permissible levels of individual risk types,
- utilization of IT tools for risk identification, control, and measurement,
- fostering employee awareness of responsibility for proper risk management at every level of the Bank's organizational structure.

Risk management at the Bank takes into account the need to achieve the targeted profitability as well as to maintain an appropriate risk-to-capital ratio, ensuring that adequate capital is available to cover risk. A wide range of both qualitative and quantitative methods is applied in the risk management process.

Risk management process

The Bank considers the established risk framework to ensure that the structure and directions of development align with the assumed risk profile, characterized by a set of parameters such as:

- growth in the volume of transferred loans,
- credit portfolio structure,
- credit quality indicators,
- criteria for the collateral register of covered bonds,
- cost of risk,
- capital requirements/internal capital levels,

- required liquidity size and structure,
- levels of limits specific to mortgage banks.

The risk management and control model at the Bank is based on the following fundamental principles:

- comprehensive quantification and parameterization of different types of risk with a view to optimizing the Bank's balance sheet structure and off-balance sheet positions, taking into account the assumed level of business profitability; key areas of analysis include credit risk, liquidity risk, market risk, and operational risk,
- all types of risk are monitored and controlled in relation to the profitability of operations and the capital level necessary to ensure operational security from the perspective of capital requirements; risk measurement results are regularly reported within the management information system,
- segregation of responsibilities related to the origination, management, and control of risk.

The division of competencies in the area of risk management is as follows:

- the Supervisory Board is responsible for overseeing the Bank's risk-taking policy in relation to its strategy and financial plan,
- the Management Board of the Bank is responsible for the effectiveness of the risk management system, internal capital assessment processes, regular review of internal capital estimation and maintenance processes, capital management and planning, as well as the internal control system,
- the Asset and Liability Committee (the "**ALCO**") is responsible for optimizing the Bank's balance sheet structure and for ongoing management of various types of banking risk, particularly market risk, interest rate risk in the Banking Book, and liquidity risk, within the model established by the Management Board,
- the Risk Department is responsible for risk management, including identification, measurement, analysis, monitoring, and reporting of various risk types within the Bank; the department also prepares risk management principles and related procedures, and provides information and proposals necessary for decision-making by ALCO and the Management Board,
- the Treasury Department is responsible for daily management of liquidity and market risk,
- the Credit Decision Department is responsible for making credit decisions, preparing draft credit decisions for various decision-making levels, issuing credit decisions within defined limits, monitoring repayments, and managing the collection process for overdue receivables from the Bank's clients,
- the Compliance Department is responsible for ensuring compliance with legal regulations, related regulatory standards, market standards, and internal Bank regulations, including the code of ethics,
- the Legal Office handles the Bank's legal disputes, with support from external law firms and legal experts when necessary.

Risk management strategy

The Bank has developed and implemented a comprehensive risk management strategy (the "**Risk Strategy**"), which defines the risk profile, expressed in monetary terms or by type of risk exposure and the risk appetite, representing the maximum level or type of risk the Bank is willing to accept to achieve its financial and strategic objectives.

The Risk Strategy is reviewed and updated annually. It is adopted by the Management Board and approved by the Supervisory Board. The Risk Strategy is intrinsically linked with other strategic documents, such as the budget, liquidity plan, and capital plan.

The Risk Strategy is based on core concepts defined by the Bank:

- Risk profile – the current level of risk, expressed either in monetary terms or by type of risk to which the Bank is presently exposed; the Bank should also maintain a forward-looking view of how the risk profile may evolve under expected and extreme scenarios, in line with its risk appetite.
- Risk appetite – the maximum level or type of risk that the Bank is prepared to accept and tolerate to achieve its financial and strategic objectives. To that end, three tolerance zones have been defined, indicating warning levels and actions required.

Capital Management

- **Regulatory capital adequacy**

Capital management refers to two areas: capital adequacy management and capital allocation. The Bank is required by law to meet the minimum capital requirements set out in Article 92 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (the “CRR”). Simultaneously, when setting capital limits/targets beyond the basic capital ratio requirements in accordance with Article 92 of the CRR, the levels, recommendations and buffers were taken into account.

The table below presents the minimum capital ratios as at 30 June 2025.

Component	Tier 1 capital ratio (CET1 ratio)	Tier 1 capital ratio (T1 ratio)	Total capital ratio (TCR)
Minimum.....	4.50%	6.00%	8.00%
Capital conservation buffer	2.50%	2.50%	2.50%
Other systemically important institution (OSII) buffer	0.00%	0.00%	0.00%
Systemic risk buffer	0.00%	0.00%	0.00%
Countercyclical buffer.....	0.00%	0.00%	0.00%
Combined buffer requirement	2.50%	2.50%	2.50%
Total CET1 Capital Requirements	7.00%	8.50%	10.50%

Source: the Bank

On 20 December 2024, the PFSA recommended that the Bank limit the risk arising from its activities by maintaining sufficient own funds to cover an additional capital charge in order to absorb potential losses resulting from extreme conditions. The requirement was set at 4.50 percentage points above the total capital ratio referred to in Article 92(1)(c) of the CRR, increased by an additional own funds requirement referred to in Article 138(2)(2) of the Banking Law and the combined buffer requirement referred to in Article 55(4) of the Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management in the financial system (consolidated text: Journal of Laws of 2025, item 819). The additional surcharge should consist entirely of Tier 1 capital. Capital risk, expressed in the above objectives and capital limits, is regularly measured and monitored.

- **Internal capital**

The Bank defines internal capital in accordance with the Banking Law as the amount necessary to cover all identified, significant types of risk arising in the Bank’s operations and changes in the economic environment, taking into account the expected level of risk in the future. Internal capital is used in capital management, in processes of economic capital adequacy management and capital allocation. The Bank has defined the process of calculating internal (economic) capital. For this purpose, mathematical and statistical methods are used for measurable types of risk. Maintaining economic capital adequacy means covering (securing) internal capital (aggregate risk measure) with available financial resources (own funds). The obligation to secure such risk stems directly from the Banking Law, which is reflected in the Bank's capital objectives/limits concerning the economic capital buffer and the economic capital buffer in extreme conditions.

- **Capital adequacy assessment**

The Bank’s capital adequacy is presented in the table below:

Capital adequacy	As of 31 December		As of 30 June
	2024	2023	2025
	<i>(PLN thousand)</i>		
Risk-Weighted Assets.....	1,572,115	710,657	1,332,896
Own Funds Requirements, including:.....	125,769	56,853	106,632
Own Funds, including:.....	363,850	234,970	479,528
Total Capital Ratio (TCR)	23.14%	33.06%	35.98%
Tier 1 Capital Ratio (T1)	23.14%	33.06%	35.98%
Common Equity Tier 1 (CET1) Ratio.....	23.14%	33.06%	35.98%
Leverage Ratio.....	11.60%	17.74%	12.86%

Source: the Bank

As at 30 June 2025, the capital adequacy of the Bank remained at a safe level. The Total Capital Ratio (TCR) amounted to 35.98%, which was equal to both the Tier 1 Capital Ratio and the Common Equity Tier 1 (CET1) Ratio. Consequently, the Bank’s minimum capital ratio requirements were met with a surplus, including the additional capital buffer designed to absorb potential losses under stressed conditions (Pillar 2 Guidance – P2G).

Compared to the end of 2023, there was a significant increase in the total risk exposure amount, driven by loan transfers executed by the parent entity, as well as an increase in own funds resulting from capital injections provided by the parent entity. As a result of these transfers, the capital ratios decreased in value.

Credit risk

Credit risk is the uncertainty surrounding a customer's ability to fulfill their obligations under financing agreements with the Bank, i.e., to repay principal and interest within a specified period, which may result in a financial loss for the Bank. The objective of credit risk management at the Bank is to ensure high quality of the loan portfolio by controlling and limiting the risk of credit exposures impaired by loss. The overriding task performed as part of the credit risk management process is to support the implementation of business plans while maintaining a defined level of risk appetite. The credit risk management process and methods are regulated in the Risk Strategy and procedures approved by the Management Board and the Supervisory Board. The procedures are adequate for the scale of the Bank's operations and will be continuously improved by adapting them to factors identified on an ongoing basis that significantly increase risk.

The Bank's credit policy is based on the following principles:

- use of models based on data from the Bank, the Bank Millennium Group and the domestic market (where applicable) in order to properly assess the customer's creditworthiness,
- functional separation of business activities, credit policy, credit decisions and credit monitoring in order to avoid conflicts of interest,
- use of IT tools (workflows) to support the credit process at all stages,
- regular monitoring of the loan portfolio,
- use of a structure of credit exposure limits and sub-limits to avoid risk concentration and promote loan portfolio diversification,
- decision-making levels are determined based on the total exposure amount and the customer's rating,
- each customer should be assigned a rating before any credit decision is made.

Quality of the loan and credit portfolio to customers:

	30.06.2025	30.12.2024	30.06.2024
Loans and advances to customers (gross).....	3,412,850.4	2,896,837.0	1,795,306.8
- in default	5,151.8	2,080.4	2,045.4
- not in default	3,407,698.6	2,894,756.6	1,793,261.5
Impairment loss	5,297.5	4,973.0	4,487.6
- for exposure in default	1,107.3	515.0	595.3
- for exposure without not in default	4,190.3	4,458.0	3,892.2
Loans and advances to customers (net)	3,407,552.9	2,891,864.0	1,790,819.3

Market risk and interest rate risk in the Banking Book

Market risk includes the current and potential impact on the Bank's financial result or capital arising from adverse changes in market parameters (prices) affecting the value of the Bank's portfolio. The market risk management system is reflected in the procedures in force at the Bank. The implemented system of limits that mitigates market risk is reviewed and updated at least once a year, taking into account, among other factors, changes in own funds, the current and anticipated balance sheet structure, as well as market conditions. Any breaches of internal market risk limits are reported, documented, and ratified at the appropriate level of authority.

Interest Rate Risk in the Banking Book

The IRRBB is defined as the current or prospective risk to both the Bank's earnings and its economic value arising from adverse movements in interest rates. This risk includes gap risk, basis risk, and customer option risk. Fluctuations in market interest rates affect the Bank's net interest income over both the short- and medium-term horizons, while also impacting its economic value over the long term.

The objective of interest rate risk management is to limit potential losses resulting from changes in market interest rates by selecting an appropriate risk profile and by actively managing the structure of both on-balance sheet and off-balance sheet positions.

The measurement of interest rate risk in the banking book is carried out in particular through the monitoring of the variability of net interest income (the "NII") and the economic value of equity (the "EVE"). In addition to NII and EVE measures, the Bank also uses Basis Point Value, interest rate gap analysis, and stress testing to assess interest rate risk.

The interest rate gap presents the difference between the value of cash flows from interest rate-sensitive asset and liability positions subject to repricing within a given time bucket.

Foreign Exchange Risk

Foreign exchange risk, as a component of market risk, is defined as the risk of incurring a loss due to changes in exchange rates.

The measurement and assessment of foreign exchange risk are conducted by limiting the foreign currency positions held by the Bank.

The Bank regularly monitors and reports foreign exchange risk metrics, the level of utilization of internal limits, as well as its exposure to foreign exchange risk under stress conditions.

Liquidity Risk

Financial liquidity at the Bank is understood as the ability to fund asset growth and meet the Bank's financial obligations as they fall due, as well as to seize business opportunities, i.e., to finance operations without incurring unacceptable losses. Liquidity risk is defined as the threat of losing the ability to effectively meet both expected and unexpected current and future cash flow obligations, as well as collateral requirements, without adversely affecting the Bank's day-to-day operations or financial condition.

The Bank's planning and budgeting process includes the preparation of a liquidity plan to ensure that business growth is supported by an appropriate funding structure and that regulatory requirements regarding quantitative liquidity measures are met.

The Bank regularly measures, monitors, and reports liquidity risk using both supervisory-defined metrics and internal indicators, for which specific limits have been established.

These measurements are supplemented by stress testing to assess the Bank's liquidity risk profile and its ability to meet obligations under stressed conditions. The stress testing framework includes sensitivity analyses, reverse stress tests, and scenarios reflecting idiosyncratic, systemic, and combined stress events.

The Bank follows a policy of investing surplus liquidity primarily in a portfolio of high-quality liquid assets, particularly low-risk Polish securities denominated in PLN, such as government bonds, treasury bills, NBP monetary bills, and securities guaranteed by the State Treasury or the National Bank of Poland. In addition, deposits placed with Bank Millennium are part of this liquidity strategy. The liquid assets portfolio and deposits are treated as the Bank's liquidity buffer, which ensures resilience in the event of potential crisis scenarios.

In the initial stage of its operations the Bank's primary source of funding of its operations was financing provided by Bank Millennium, with the role of covered bonds increasing over time, whose share in financing is growing steadily. The Bank's long-term strategic goal is to establish a funding structure in which the principal source of financing is the issuance of covered bonds.

Operational Risk

The primary objective of operational risk management at the Bank is to optimize operational efficiency by reducing the level of operational losses and enhancing the Bank's ability to respond adequately and promptly to external events. Operational risk management is based on a process-oriented structure implemented within the Group, which overlays the traditional organizational structure. The operational risk management system follows a process-based approach, built upon a dynamic process management framework that applies to all areas of the Bank's activities.

The system is tailored to the scale and risk profile of the Bank's operations and is aligned with the operational risk management framework adopted at the level of the Group. Within this system, the Bank applies the following key operational risk management tools: an operational risk event database, Key Risk Indicators, Risk Self-Assessments, and scenario analyses.

The operational risk management process at the Bank includes the identification, measurement, mitigation—including control and monitoring—and reporting of various types of risks falling under the scope of operational risk. In managing and controlling operational risk, the Bank applies clear principles, practices, and control mechanisms that ensure an appropriate segregation of duties and define the boundaries of acceptable risk exposure.

Operational risk management is performed by the Risk Department, the department responsible for overall risk management. This function supports the Management Board in developing and promoting a sound operational risk culture and is also responsible for the creation, proposal, implementation, and enforcement of tools and methodologies to ensure an accurate assessment of the Bank's risk exposure.

In addition, a dedicated fraud prevention function operates within this organizational unit.

Model Risk Management

The Bank defines model risk as the potential loss resulting from decisions that may have been significantly based on information generated by models, due to errors in the development, implementation, or use of such models. The model risk

management process at the Bank is aligned with the framework adopted by the Group, taking into account the scale and risk profile of the Bank's operations. The risk level of a given model is determined along the following dimensions:

- Inherent risk assessment - an evaluation of key model risk factors: complexity, uncertainty, and materiality of the model,
- Risk mitigation assessment - an evaluation of control mechanisms, mitigation measures, and other risk management practices applied to the model.

The purpose of model risk assessment is to determine the degree of exposure associated with model risk. This assessment is conducted both at the level of individual models and in aggregate across the Bank. The objective of model risk control is to actively manage and effectively mitigate model risk to ensure that the aggregate level of risk remains within the Bank's defined tolerance threshold.

Concentration Risk

The Bank defines concentration risk as the threat arising from excessive concentrations of exposures to individual clients, groups of connected clients, clients operating in the same geographic region, exposures subject to similar credit risk mitigation techniques, or large indirect credit exposures - such as reliance on a single collateral issuer - which may be significant enough to jeopardize the Bank's financial condition, ability to conduct core business activities, or lead to a material change in the Bank's overall risk profile.

The concentration risk management process at the Bank is compliant with the requirements of PFSA Recommendation C and is consistent with the methodology used across the Group. The Bank aims to maintain a high level of asset diversification to avoid excessive concentration risk that could result in a significant reduction in own funds or adversely impact financial performance.

The Bank's credit portfolio consists exclusively of retail loans, which enables a high degree of diversification.

Trend information

There have been no trends, uncertainties, demands, commitments or events since the date of the Bank's last published audited financial statements that would reasonably be likely to have a material effect on the Bank, or the Bank's prospects.

Material Contracts

Except for the outsourcing agreement, support agreements and the framework agreement for the sale of receivables concluded with Bank Millennium and described on page 72, the Bank has not concluded any other significant agreements that would not be concluded in the normal course of the Bank's business.

MANAGEMENT OF THE BANK

General

The Bank is a joint-stock company (*spółka akcyjna*) operating under Polish law. The Bank, its management and the Bank's corporate setup are governed by the Statutes of the Bank. The business address of all members of the Bank's Management Board is ul. Stanisława Żaryna 2A, 02-593 Warsaw, Poland. The business address of all members of the Bank's Supervisory Board is ul. Stanisława Żaryna 2A, 02-593 Warsaw, Poland.

Management structure and committees

The Management Board represents the Bank in all matters and is responsible for its day-to-day management. The Supervisory Board is responsible for overseeing the operations of the Bank. The Supervisory Board is not responsible for the management of the Bank, but certain decisions require the Supervisory Board's approval.

The Bank's Supervisory Board exercises ongoing supervision over the Bank's activities in all areas of its operations, in particular over the risk management system and the internal control system. The Supervisory Board is supported by an Audit Committee, which monitors the effectiveness of the internal control system and the risk management system, as well as the implementation of the financial reporting process. The Supervisory Board and the Audit Committee supervise financial reporting. The Bank's Supervisory Board consists of at least five members appointed by the Bank's general meeting of shareholders for a joint three-year term of office.

Management Board

The Management Board represents the Bank externally and manages all of the Bank's activities. The Management Board is also responsible for all matters not reserved for the Supervisory Board or the general meeting of shareholders of the Bank. The Management Board consists of at least three members appointed by the Supervisory Board for a joint three-year term of office. The Bank's Supervisory Board may also dismiss a member of the Bank's Management Board at any time. The Management Board of the Bank, among other things, coordinates and supervises the performance of tasks in the core areas of the Bank's business, develops and submits for approval to the Supervisory Board and the PFSA the Mortgage Lending Value Regulation and any amendments thereto, and makes decisions on the issue of covered bonds. As at the date of the Base Prospectus, the members of the Management Board are:

Name	Position	Commencement of current term of office*	Duration of the current term of office
Agata Chrzanowska	President of the Management Board	14 June 2023	3 years
Adam Berent	Member of the Management Board	14 June 2023	3 years
Artur Kulesza	Member of the Management Board	14 June 2023	3 years

* The term of office of the Management Board is joint, commences simultaneously for all members, and covers a period of three full consecutive financial years.

The Bank is not aware of any potential conflicts of interest between any duties to the Bank of the members of the Management Board and their private interests and/or other duties.

Agata Chrzanowska

Agata Chrzanowska graduated from the Faculty of Economics at the Karol Adamiecki University of Economics in Katowice (currently "University of Economics in Katowice") in 1998.

She began her professional career in 1997 at Bank Śląski S.A. Since 2001, she has been associated with Bank Millennium, where she passed through successive career levels starting from the position of Expert to Director. Since 2006, she has carried out tasks in various areas of mortgage banking, i.e., from 2006 to 2009 in the Mortgage Product Sales Department, from 2009 to 2010 in the Operations Department, and since December 2010 in the Retail Banking Marketing Department. Prior to becoming President of the Management Board of the Bank, she managed the work of the group responsible for establishing a mortgage bank within the Group.

Adam Berent

Adam Berent is a graduate of the Faculty of Foreign Trade at the Warsaw School of Economics (1992). In 2004, he completed his MBA (Carlson School of Management), earning a Master of Business Administration degree.

He began his professional career in 1990 in the Foreign Department of the Bank of Economic Initiatives BIG S.A. (now Bank Millennium). From 1992 to 2000, he served successively as Director of the Planning Department, Strategic Planning Department and Asset and Liability Management Department. From 2000 to 2004, he headed the Risk Department and the Credit Department of Bank Millennium. From 2004 to 2008, he was seconded to work at the parent company of the BCP Group (Banco Comercial Português) as Director of the Retail Credit Risk Division of the BCP Group. From 2008 to 2011, he headed the Security and Business Continuity Department and then the Rating Department of Bank Millennium.

Since 2022, he has been Chairman of the Supervisory Board of Millennium Towarzystwo Funduszy Inwestycyjnych S.A. - a company in the Group.

Artur Kulesza

Artur Kulesza is a graduate of the Faculty of Foreign Trade at the Warsaw School of Economics (1991).

He began his professional career in 1989 at the Society of Consultants and Advisors. From 1991, he worked at the Bank of Economic Initiatives BIG S.A. (currently Bank Millennium S.A.), first in the Accounting Department, then in Bank Millennium's Liquidity Team, and from 1993 he headed the Risk Assessment Team. From 1997, he worked as director in the Management Information Department, and then in the Strategic Planning Department. In 2001, he became deputy director of the newly organized Mortgage Banking Department. In 2003, he was appointed Director of the Investor Relations Department.

Since 2022, he has been Vice Chairman of the Supervisory Board of Millennium Towarzystwo Funduszy Inwestycyjnych S.A.

Management Board Committees

As at the date of this Prospectus, the following Management Board committees are in place:

Asset and Liability Committee

The ALCO acts as a body supporting the process of optimization of the Bank's balance sheet structure and managing liquidity risk, capital risk and credit risk. As at the date of the Prospectus, the ALCO consists of President of the Management Board, two members of the Management Board, Head of Risk Department, Head of Treasury Department.

The objective of the ALCO is to manage the Bank's assets and liabilities by influencing the structure of the Bank's balance sheet and off-balance sheet items in a manner conducive to achieving optimal financial results, as well as to manage the above-mentioned risks and the Bank's capital adequacy.

Supervisory Board

The Bank's Supervisory Board is responsible for overseeing the Bank's operations. The Supervisory Board appoints the Management Board members and approves the Bank's strategy and the Bank's financial plans. The operations of the Supervisory Board are regulated by the by-laws of the Supervisory Board. The Supervisory Board consists of at least five members appointed by the Bank's general meeting of shareholders for a joint three-year term. There are no limits on the reappointment of Supervisory Board members.

As at the date of this Base Prospectus, the Supervisory Board consists of the following members:

Name	Position	Commencement of membership	Commencement of current term	Duration of the current term of office
Fernando Bicho	President	09 July 2020	14 June 2023	3 years
Wojciech Haase	Vice-President	09 July 2020	14 June 2023	3 years
António Pinto Júnior	Secretary	09 July 2020	14 June 2023	3 years
Jarosław Hermann	Member	09 July 2020	14 June 2023	3 years
Grzegorz Jędryś	Member	09 July 2020	14 June 2023	3 years
Marta Penczar	Member	7 June 2024	14 June 2023	3 years
Aleksandra Przeglasińska	Member	09 July 2020	14 June 2023	3 years

** The term of office of the Supervisory Board is joint, commences simultaneously for all members, and covers a period of three full consecutive financial years*

To the best of the Bank's knowledge, there are no potential conflicts of interest between the duties owed by the members of the Supervisory Board with respect to the Bank and their private interests or other duties.

Fernando Bicho

Mr. Fernando Maria Cardoso Rodrigues Bicho graduated in economics from the Catholic University of Portugal in 1984 and earned an MBA from the Catholic University of Portugal in 1993.

His professional experience includes work at the Portuguese Institute of Foreign Investment, Lloyds Bank Plc in Lisbon and at Uniao de Banco Portugueses (UBP), later operating as Banco Mello. He served as a fund manager and later at Banco Mello as head of the Finance Division responsible for treasury and capital markets, securities operations, asset and liability management, international capital markets issues, capital management and investor relations, among other things. Following the purchase of Banco Mello by Banco Comercial Portugues (BCP) in 2000, Mr. Bicho worked at BCP's Corporate Center, and from June 2001 he served as head of the Asset and Liability Management Division of the BCP Group.

Since 1 August 2002, a member of the Management Board of Bank Millennium (CFO), and since 20 April 2012 Vice President of the Management Board of Bank Millennium. From 3 June 2019 until the date of the merger with Bank Millennium, i.e., until 1 October 2019, also Vice President of the Management Board of Euro Bank S.A.

Wojciech Haase

Mr. Wojciech Haase is a graduate of the Faculty of Production Economics at the University of Gdansk.

He worked at the National Bank of Poland in Gdańsk from where he was directed to the group organizing Bank Gdański S.A. From 1989 to 1997, he worked at Bank Gdański S.A., successively in the Credit Department and the Treasury Department. Since 1993, Vice President of the Management Board of Bank Gdański S.A., and then acting President of the Management Board of Bank Gdański S.A.

Member of the Management Board of Bank Millennium since 27 June 1997.

António Pinto Júnior

Mr. António Ferreira Pinto Júnior graduated in economics (1985-1990) from the University of Porto and corporate finance from the University of Minho (1993-1994).

He began his career at Banco Português do Atlântico (1990), part of the Millennium bcp Group since 1994, gaining experience in retail and corporate banking through management positions in marketing and sales support areas. From 2002 to 2011, he worked at Bank Millennium, as head of departments responsible for marketing, quality, processes and operations, and from April 2010 as a member of the Management Board of Bank Millennium. During the next 7 years, he held the position of head of the Retail Banking Marketing Department at Millennium bcp in Portugal, and from July 2016 - May 2018, also a non-executive Board Member of ActivoBank.

Since 20 April 2018, a member of the Board of Directors of Bank Millennium bcp, and from 3 June 2019 until the date of the merger with Bank Millennium bcp, i.e., until 1 October 2019, also Vice Chairman of the Board of Directors of Euro Bank S.A.

Jarosław Hermann

Mr. Jarosław Hermann is a graduate of the Faculty of Technical Physics and Applied Mathematics at the Warsaw University of Technology (1994) and the MBA program of the Carlson School of Management (2002).

He gained experience in IT and operations while working in managerial positions at PepsiCo, and as a transfer agent in Pioneer and Accenture, where he led medium and large projects for banking clients in Poland and Central European countries. Between 2005 and 2010, he served as a Board Member of First Data Polska, responsible for IT and Operations areas supporting card acceptance and services for financial institutions. From 2010 to 2016, he was a Board Member of AXA Group companies in Poland responsible for IT and Operations. From 2016 to 2018, he served as Vice President at Polskie ePłatności, a clearing agent for payment transactions.

Since 1 August 2018, a member of the Management Board of Bank Millennium.

Grzegorz Jędrys

Mr. Grzegorz Jędrys is a graduate of the Faculty of Production Economics at the Warsaw School of Economics, as well as postgraduate studies in Strategic Marketing Management at the Warsaw School of Economics and in real estate brokerage and trading. In addition, he has taken many courses and trainings, including for candidates for members of supervisory boards of state-owned companies (2008).

He began his career in 1994 at the Housing Finance Project Office/PADCO, a joint program of the Polish Government and USAID. In 1996, he worked as Head of the Construction Financing Team at Polish-American Mortgage Bank S.A. From 1997 to 1999, he was employed by Eleventh National Investment Fund S.A., first as an Investment Analyst and then as a Project Director. From 1999 to 2005, he was Investment Director at Trinity Management Sp. z o.o., a company managing the assets of Jupiter NFI S.A. and Pekao Capital Fund Sp. z o.o. From 1997 to 2005, he was a member of the supervisory

boards of many companies. Since 2005, he has been the Director of the Representative Office in Poland of the Polish-American Freedom Foundation, and since the beginning of 2023 he has also served as the Foundation's Chief Operating Officer.

From 11 April 2013 to 27 March 2025, he was a member of the Supervisory Board of Bank Millennium, and from 31 May 2019 to the date of the merger with Bank Millennium, i.e., until 1 October 2019, he was also a member of the Supervisory Board of Euro Bank S.A.

Marta Penczar

Ms. Marta Penczar, PhD, is a graduate of the Faculty of Management at the University of Gdansk and completed postgraduate studies in investment banking organized by the University of Gdansk and the Gdansk Academy of Banking. She received her doctoral degree in economics on the basis of her doctoral dissertation titled "The Impact of Consumer Protection on the Integration of the Consumer Credit Market in the EU (2011)."

She gained professional experience at, among others, the Institute for Market Economy Research as Director of the Research Area: Banking Financial Markets (1988 - 2021) and the Financial Market Institute as Director of the Audit Team (2021 - 2023). From 2023, Director of EFC Research at the Center for Strategic Thought of the organizer of the European Financial Congress.

Conducts research on opportunities and threats to the stability of the financial system in Poland and the European Union, including, among others, the structure of bank financing, aspects of responsible creditworthiness testing, and prospects for the development of financial markets. She coordinates the macroeconomic consensus of the European Financial Congress. She is the author of publications in scientific journals and monographs on the development of financial markets, among others.

Aleksandra Przeglasińska

Prof. Aleksandra Przeglasińska received her bachelor's degree from the Faculty of Journalism and Communication at the University of Wrocław in 2004, and her master's degree from the Artes Liberales Academy (Interdisciplinary Institute for Individual Inter-University Humanistic Studies) in 2007. In 2014, she received her doctoral degree from the Institute of Philosophy at the University of Warsaw in the field of philosophy of artificial intelligence, and in 2020 she received her habilitation degree in management, the same year she was also appointed associate professor in the Department of Management in Networked and Digital Societies at the Leon Kozłowski Academy. She is also a graduate of The New School for Social Research in New York, where she participated in research on identity in virtual reality, with a particular focus on Second Life.

Since 2013, she has been with Kozłowski University, where she currently serves as Vice-Rector for International Cooperation and Sustainability and (as of October 2024) as Vice-Rector for Innovation and AI. She is also the Head of Studies in Artificial Intelligence in Management in the Department of Management in Networked Societies. She is also currently affiliated with Harvard University as a Senior Research Associate at the Center for Labor and Just Economy. In addition, she provides consulting and expertise to business entities and foundations.

She is the author of numerous publications in scientific journals and monographs on the development of new technologies, especially green and sustainable technology, humanoid artificial intelligence, social robots and wearable technologies, among others. She serves on the editorial boards of scientific journals and acts as a speaker at numerous scientific conferences.

Supervisory Board Committees

Audit Committee

The Audit Committee consists of four members appointed by the Supervisory Board from among its members. As of the date of this Base Prospectus, the Audit Committee consists of Grzegorz Jędrzej, Fernando Bicho, Marta Penczar and Aleksandra Przeglasińska.

The Supervisory Board is supported by the Audit Committee, which monitors the effectiveness of the internal control system and risk management system, the implementation of the financial reporting process, including cooperation with the auditor, as well as the performance of internal audit functions. The Audit Committee performs advisory and consultative functions for the Supervisory Board of the Bank in matters related to the functioning of the internal control system.

The Audit Committee's responsibilities include, in particular, monitoring:

- the financial reporting process;
- the effectiveness of internal control and risk management systems and internal audits, including financial reporting;

- the performance of financial audit activities, in particular the audit conducted by an audit firm, taking into account any conclusions and findings of the Polish Audit Supervision Agency resulting from the audit conducted by an audit firm.

Cover Pool Monitor

As at the date of this Base Prospectus, upon application by the Supervisory Board, the PFSA appointed Mr. Jacek Bartkiewicz as Cover Pool Monitor and Ms. Dorota Podedworna-Tarnowska as Deputy Cover Pool Monitor. The Cover Pool Monitor's responsibilities are described in "*Overview of the Polish Covered Bonds Legislation*" below.

Jacek Bartkiewicz

Jacek Bartkiewicz graduated from the Faculty of Production Economics at the Central School of Planning and Statistics in Warsaw. He received a doctorate in economic sciences from the Academy of Social Sciences. He was an employee of the Institute of Political Economy and ANS (1978-1990).

After 1990, he was associated with Bank Śląski as a branch director, member of the board of directors and, from 1997 to 2001, vice chairman of the board of directors. He then held the position of Undersecretary of State at the Ministry of Finance in Leszek Miller's government for a year, serving as Deputy Chairman of the Banking Supervision Commission, among other positions. From 2002 to 2013, he was chairman of the board of directors of Bank Gospodarki Żywnościowej. From 2004 to 2006, he served as Chairman of the Board of the Warsaw Stock Exchange.

From 2013 to 2019, he was a member of the Management Board of the National Bank of Poland, and from February to July 2016 he was part of the Financial Supervision Commission as a representative of the NBP.

Dorota Podedworna-Tarnowska

Dorota Podedworna-Tarnowska graduated with a master's degree in finance and banking from the Warsaw School of Economics in Warsaw. She also began her academic work at this university. Until her appointment as Undersecretary of the Ministry of Finance, she worked at the Warsaw School of Economics as an assistant professor at the Institute of Value Management in the College of Business Administration. On 27 April 2006, she received a doctorate in economics with distinction, specializing in corporate finance. She was also head of postgraduate studies in financial consultancy. She also served as Vice-Dean of the Graduate Program at the Warsaw School of Economics.

In addition to her academic work, she gained professional experience at the Ministry of the Treasury. She has served on the supervisory boards of companies for more than a dozen years, including Bank BPH, where she was a member of the Audit Committee and Investment Committee, and Idea Bank.

She also completed postgraduate studies in taxation and tax law at the University of Warsaw, the International Faculty Program at the IESE Business School in Barcelona, and numerous courses in auditing, accounting standards and investment consulting. In 2012, she completed a research internship in finance at New York University's Stern School of Business. From 2013 to 2015, she served as vice secretary of state at the Ministry of Finance.

Since returning to the Warsaw School of Economics, she has continued her research and teaching activities. She ended her function as Vice-Dean of the Graduate School with the expiration of her term on 31 August 2016. In October of the same year, she took over as head of the Department of Axiology and Value Measurement at the Institute of Value Management in the College of Business Administration of the Warsaw School of Economics.

RELATED PARTY TRANSACTIONS

The parent company of the Bank is Bank Millennium S.A. with its registered office in Warsaw, at ul. Stanisława Żaryna 2A. The ultimate parent company is Banco Comercial Portugues S.A. with its registered office in Porto (Portugal). The Bank's operating model assumes strategic cooperation with Bank Millennium and is largely based on the purchase of services provided by Bank Millennium. Due to the specific nature of the Bank's business model, the purpose of this solution is to ensure continuity of service to borrowers whose receivables are transferred to the Bank. The strategic cooperation with Bank Millennium is aimed at limiting the impact of the portfolio transfer process on borrowers by maintaining, to the greatest extent possible, the standard of service to which they are accustomed and enabling them to use all previously available communication channels. Another important objective of the strategic cooperation with Bank Millennium is to achieve business synergies within the Group, which will translate not only into the efficiency of the Bank's operations, but also the security of the processes it handles and compliance with the standards applicable within the Group.

In addition, under the Agreement Framework for Sale of Receivables, in the six months ended 30 June 2025 and the year 2024 five loan transfers from Bank Millennium were made in accordance with the following schedule:

Quarter	Transfer date	Purchase price (PLN thousand)	Revolving credit (PLN thousand)	Deferred payment (PLN thousand)
First quarter 2024	19 March 2024	330,455.70	287,000.00	43,455.70
Second quarter 2024	23 May 2024	416,776.60	370,000.00	46,776.60
Third quarter 2024	24 October 2024	680,754.20	626,000.00	54,754.20
Fourth quarter 2024	12 December 2024	553,734.90	480,000.00	73,734.90
First half 2025	15 April 2025	754,170.60	660,000.00	94,170.60

Source: the Bank

The services purchased by the Bank from Bank Millennium mainly concern customer operations, ICT services and other selected support services in specific areas of the Bank's operations, which are already provided by Bank Millennium. The terms of cooperation between the two banks are governed by an outsourcing agreement under which the Bank has entrusted Bank Millennium, in particular, with the performance, on behalf of and for the Bank, of factual and legal activities related to the Bank's banking activities, provided in accordance with the provisions of Articles 6a-6d of the Banking Law (bank outsourcing). This agreement, as well as other agreements entrusting Bank Millennium with the provision of services, covers in particular the following types of activities:

- management of the mortgage loan portfolio and performance of other activities related to the Bank's operations,
- activities in the area of human resources management, including personnel administration, recruitment, training and development, as well as payroll and employee benefits,
- activities related to the process of purchasing and selecting other service providers,
- activities within processes related to IT, including in particular the provision and management of IT infrastructure, telecommunications services, and the provision of supporting applications,
- activities related to ensuring the physical security of the Bank,
- activities related to the administration of the Bank's website.

To finance mortgage receivables transfers, the Bank signed the Financing Agreement with Bank Millennium on 6 August 2021. The agreement covers financing in the form of a revolving loan based on a variable WIBOR 3M rate + margin - an overdraft facility based on a variable WIBOR 3M rate + margin.

On 8 April 2025, the Bank signed another annex to the Financing Agreement. The agreement was extended until 30 April 2027 and the revolving credit facility limit was increased to PLN 4 billion. At the same time, a provision was introduced stating that the granted credit limit may also be used for working capital credit facilities (up to PLN 2 billion), provided that the total debt under the revolving credit facility and working capital credit facilities does not exceed PLN 4 billion.

In 2024, five partial repayments of the revolving loan were made for a total amount of PLN 900 million, including two repayments resulting from the issue of mortgage bonds with a nominal value of PLN 300 million and PLN 500 million.

In the six months ended 30 June 2025, three partial repayments of the revolving loan were made for a total amount of PLN 910 million, including one repayment resulting from the issue of mortgage bonds with a nominal value of PLN 800 million.

As at 30 June 2025, the Bank's debt under the credit facility amounted to PLN 1.62 billion.

With regard to treasury transactions concluded by the Bank with Bank Millennium, two agreements are in force:

- Framework agreement for accounts and banking services for corporate banking customers dated 10 July 2020. The agreement includes a request for the possibility to negotiate individual exchange rates for cash currency exchange transactions directly with the Treasury Department of Bank Millennium S.A. The request applies to cash transactions, i.e., those whose settlement date falls no later than two business days from the date of the transaction. Spot transactions do not require a treasury limit and are settled directly from funds deposited into the current account of the Bank. As a rule, the Bank purchases foreign currency for PLN in order to pay invoices issued in foreign currencies (EUR, USD). In 2024, the Bank concluded six transactions to purchase EUR for PLN for a total amount of EUR 221.8 thousand.
- Agreement on deposits and securities transactions dated 12 May 2021. The agreement sets out the terms and conditions for the Bank to enter into the following transactions with Bank Millennium: (i) deposits with negotiable interest rates; (ii) purchase and sale of securities; and (iii) buy-sell-back and sell-buy-back transactions. Under this agreement, the Bank generally purchases 7-day NBP money market bills and variable-rate Treasury bonds in order to increase the pool of assets with the highest possible liquidity. Surplus funds in the current account are placed in 1-day O/N deposits. In 2024, the Bank purchased PLN 70 million worth of WZ-type Treasury bonds (treasury bonds with a variable interest rate, which depends on the WIBOR 6M reference rate) and increased the value of its portfolio of these securities to PLN 140 million, of which PLN 60 million was entered in the register of collateral for covered bonds as substitute assets securing the issued covered bonds. The nominal value of 7-day money market bills purchased at NBP auctions depends on the current liquidity situation, planned expenditures, planned financing repayments, etc.

Assets and liabilities arising from transactions with related entities (PLN thousand)

as of 31 December 2024	Bank Millennium S.A.	Millennium Leasing Sp. z o.o.
	(PLN thousand)	
ASSETS		
Deposits and loans and advances to banks and other monetary institutions	6,802.6	0.0
Tangible fixed assets	1,144.6	150.9
Costs to be settled over time	20.6	
Revenue receivable - reimbursement of credit holiday costs	837.6	0.0
LIABILITIES		
Liabilities to banks and other monetary institutions	1,944,075.6	0.0
Liabilities arising from the issue of debt securities	0.0	0.0
Financial liabilities held for trading		
Costs to be settled over time	0.0	0.0
Other liabilities	3,639.0	189.6
including finance lease liabilities	1,265.6	189.6
OFF-BALANCE SHEET OPERATIONS		
Off-balance sheet liabilities received	980,015.0	

Source: the Bank

Revenue and expenses from transactions with related parties.

for the period from 1 January 2024 to 31 December 2024	Bank Millennium S.A.	Millennium Leasing Sp. z o.o.
	(PLN thousand)	
Revenue from:		
Interest	4,960.8	
Costs related to:		
Interest	(87,500.6)	(66.2)
Commission	(101.1)	
Administrative costs	(3,881.5)	(33.2)
Depreciation	(214.6)	(89.0)
Total	(86,737.0)	(188.4)

Source: the Bank

All transactions with related parties were related to the ordinary course of business and were conducted on market terms.

OVERVIEW OF LEGAL REGULATIONS CONCERNING THE BANKING SECTOR

The following description is of a general nature and sets out certain features of Polish law concerning the banking sector as at the date of this Base Prospectus. It does not purport to be, and is not, a complete description of all aspects of the Polish legislative and regulatory framework pertaining to banking activities.

Specific legal requirements for banks

Engaging in banking activities involves meeting multiple regulatory obligations, most of which follow directly from the provisions of the Banking Act dated 29 August 1997 (*ustawa z dnia 29 sierpnia 1997 r. – Prawo bankowe*) (the “**Banking Act**”), and from resolutions, ordinances and recommendations issued by the PFSA. The most important of these obligations relate to banks’ own funds, the capital adequacy ratio, leverage ratio, exposure concentration, risk management systems and financial management conducted by banks.

Banks have a duty to protect banking secrecy. Regulations on personal data protection are particularly important for the functioning of banks in order to protect individual customers. Personal data may be processed exclusively in compliance with detailed regulations, using technical and organizational resources which ensure the protection of personal data against unauthorised processing, including making it available to third parties.

Banks must also comply with regulations for the prevention of the use of the financial system for the purpose of money laundering and terrorist financing.

Certain restrictions also apply if banks retain any third parties for the performance of banking activities for and on behalf of the bank or for the performance of any banking-related operations.

Banking supervision exercised by the PFSA

In Poland, banking supervision is exercised by the PFSA and covers in particular:

- assessment of the financial position of banks, including their solvency, the quality of assets, liquidity and the financial results;
- review of the quality of the bank management systems, including, in particular, the risk management system and internal control system;
- examination and assessment of banks’ compliance with the exposure concentration limits and standards for the risk acceptable in banks’ operations as determined by the PFSA;
- estimating, maintaining and reviewing internal capital; and
- assessment of the compliance of banks’ activities with the appropriate regulations.

The PFSA has broad powers and legal instruments which enable it to carry out supervision over banks, including the possibility to conduct inspections.

Other supervisory authorities

Some areas of banking operations are subject to the supervision of other public administration authorities, the most important of which are as follows:

- the President of the Office for Protection of Competition and Consumers with respect to protecting market competition and consumers’ collective rights;
- the President of the Office for the Protection of Personal Data with respect to collecting, processing, managing and protecting personal data;
- the minister responsible for financial institutions (as of the date of this Base Prospectus, the Minister of Finance);
- the General Inspector for Financial Information with respect to the prevention of money laundering and financing of terrorism;
- the Polish Bank Guarantee Fund; and
- the financial ombudsman.

Deposit Guarantee Fund and Resolution Fund

Pursuant to the provisions of the Resolution Act, members of a mandatory guarantee system are obliged to contribute to a deposit guarantee fund (*fundusz gwarancyjny banków*) (the “**Deposit Guarantee Fund**”) and a resolution fund (*fundusz przymusowej restrukturyzacji*) (the “**Resolution Fund**”). The Bank contributes to the Resolution Fund only.

The Resolution Fund was established in order to finance the resolution of banks, investment firms and branches of foreign banks, in particular to provide funds for financing the BFG's tasks described in the Resolution Act. The participation in the Resolution Fund is obligatory for all Polish banks, investment firms and branches of foreign banks operating in Poland.

The contributions to the Resolution Fund achieved the minimum level of funds for financing the restructuring of banks and investment firms by the date of this Prospectus and the target level by 31 December 2030. The target level is 1.2% of the amount of guaranteed funds in banks, investment firms and branches of foreign banks.

If the funds accumulated in the Resolution Fund are insufficient to finance the resolution of the institution subject to the resolution proceedings, the BFG may require additional contributions the amount of which may not exceed the threefold total amount of contributions required from the relevant entities for a respective calendar year. In the case when the total amount of these contributions is not determined, the BFG may require contributions in an amount not exceeding the threefold total amount of contributions required from the relevant entities for the previous calendar year.

Regulation of mortgage loans

The Mortgage Credit Act, which implements the Mortgage Credit Directive into Polish law, came into force on 22 July 2017.

The general purpose of the Mortgage Credit Act is to improve the position of borrowers who purchase real estate. The Mortgage Credit Act introduces restrictions on granting mortgage loans such as restrictions on currencies in which a loan may be granted, which depend on the currency of the borrower's income. Banks will be allowed to tie mortgage loans with other products except the auxiliary bank account free of charge (which does not concern Polish mortgage banks as they are not allowed to maintain bank accounts for their clients). This does not affect the cross-selling that respects the borrower's right to choose a standalone mortgage loan or other combined offer. Additionally, while a bank may require the borrower to insure the property financed with the mortgage loan and to assign this insurance to the bank, the bank may not restrict the borrower's ability to choose an insurer, as long as the insurance policy meets the criteria stipulated by the bank. The Mortgage Credit Act imposes several mortgage loans information requirements on banks. The first requirement is in respect of advertisements concerning mortgage loans, which must provide detailed information about, and refer to all important features of, the mortgage loans. The next is the offer information, which must be presented in a special information sheet and submitted to the customer after getting acquainted with his credit needs. The information sheet is binding on a bank for 14 days. Banks are also obliged to issue a credit decision within 21 days of the date of a loan application and to justify the refusal of granting a loan. The third requirement is in respect of the content of the loan agreement, which is also strictly regulated. It includes a customer's right to withdraw from the loan agreement within 14 days of the date of signing the agreement. Therefore, these regulations have demanded some changes in the process of originating mortgage loans. The Mortgage Credit Act introduces licensing requirements for brokerage and agent services regarding mortgage loans. Moreover, it introduces regular training requirements as a condition of maintaining the licence. Banks are also required to conduct regular training of their employees involved in mortgage loan origination processes.

Moreover, the Polish Civil Code provides a cap for the maximum interest rates that may be charged by a bank under a loan agreement. As at the date of this Base Prospectus, this cap is twice the sum of the applicable reference rate of the NBP and 3.5 per cent. The maximum interest rate on overdue principal is twice the sum of the applicable reference rate of the NBP and 5.5 per cent.

Personal data protection

In light of the large number of individuals serviced by banks, all the regulations concerning personal data protection are of particular importance to banking operations. Personal data may be processed exclusively in compliance with specific regulations, while applying technical and organizational means that ensure the protection of personal data, particularly from disclosure to any unauthorised parties. Additionally, the persons to which such data relates should have the right to access all of their personal data and to correct it.

The General Data Protection Regulation ("**GDPR**") entered into force on 25 May 2018. It imposed obligations and guidelines on companies in the management and processing of personal data.

The GDPR introduced, among others:

- the broader definition of personal data, including information identifying the person to the data;
- certain restrictions on automated processing of personal data;
- considerably increased rights of individuals;
- new obligations of data processors, controllers and data protection officers related to provision of technical and organizational protection of personal data; and

- administrative fines for non-compliance with the GDPR, which can reach EUR 20 million or 4 per cent. of an organization's annual worldwide turnover. Moreover, pursuant to the GDPR, individuals have the right to receive compensation from the controller or processor for the damage suffered.

OVERVIEW OF THE POLISH COVERED BONDS LEGISLATION

The following description is of a general nature and sets out certain features of Polish law governing the issuance of covered bonds as at the date of this Base Prospectus. It does not purport to be, and is not, a complete description of all aspects of the Polish legislative and regulatory framework pertaining to the Covered Bonds.

Introduction

As at the date of this Base Prospectus, the main act of law governing the covered bonds in Poland is the Polish Covered Bonds Act. The Polish Covered Bonds Act was adopted on 29 August 1997 and came into force on 1 January 1998. The most recent significant amendment to the Polish Covered Bonds Act, implementing the Covered Bonds Directive, was adopted on 7 April 2022 and came into force on 8 July 2022. Other laws and regulations that also apply to mortgage banks and covered bonds are, amongst others, the Bonds Act, the Banking Act, the Bankruptcy Law as well as the decrees issued by the Minister of Finance and the recommendations issued by the PFSA.

Mortgage banks

In Poland, only specialised mortgage banks and Bank Gospodarstwa Krajowego (BGK) may issue covered bonds. As at the date of this Base Prospectus, all mortgage banks operating in Poland are subsidiaries of a bank and a separate legal entity. Establishing a mortgage bank requires a license from the PFSA and mortgage banks' activities are subject to PFSA supervision.

Mortgage banks' lending activity

In accordance with the Polish Covered Bonds Act, the lending activities of mortgage banks cover: (i) granting mortgage loans; (ii) granting loans secured by a guarantee or surety of the State Treasury of the Republic of Poland, the NBP, the European Central Bank, governments and central banks of the EU and OECD member states, except for countries that are restructuring their external indebtedness or have restructured their external indebtedness in the last five years, (iii) granting loans to these entities, loans to local government units and loans secured by a guarantee or surety of the local government units, (iv) purchasing loans of the type referred to in (i) and (ii) above from other banks; and (v) purchasing securities issued by the State Treasury of the Republic of Poland, local government units or Bank Gospodarstwa Krajowego secured in full by a guarantee or surety of the State Treasury.

Under the Polish Covered Bonds Act, the amount of a single mortgage loan, on the day the bank grants or acquires the loan, may not exceed the mortgage lending value of the secured property. The minister competent for financial institutions may, by a decree and upon the consultation with the Financial Stability Committee (*Komitet Stabilności Finansowej*), having regard to the level of the applicable countercyclical buffer rate (*wskaźnik bufora antycyklicznego*) and the need to ensure the proper functioning and stability of the financial market, lower such maximum proportion of the amount of a single mortgage loan and the mortgage lending value of the secured property. As of the date of this Prospectus, the decree referred to in the preceding sentence has not been issued.

Mortgage banks' information obligations

In accordance with the Polish Covered Bonds Act, mortgage banks are obliged to provide the PFSA with information on covered bonds issuances and specifying the scope of this information, as well as certain other information required to be on the mortgage bank's website, was introduced.

By 31 March of each year, mortgage banks are obliged to provide the PFSA with information as of the last day of the previous year regarding, among others, the value of the cover pool assets (including the value of the core and substitute assets), operations on the derivative contracts included in the cover pool, the collateralisation review, results of the coverage and liquidity tests and the value of obligations under the outstanding covered bonds. Mortgage banks are also obliged to provide the PFSA with the above information in case of bankruptcy, dismissal of the application for bankruptcy, liquidation or compulsory restructuring.

Moreover, not later than the end of each quarter, mortgage banks must make available on their websites information on covered bond issues containing, among others, the value of the cover pool and the total amount of the nominal values of the covered bonds outstanding, series numbers of traded covered bonds (ISIN codes) and the level of available, required and established overcollateralisation.

PFSA's administrative sanctions

In accordance with the Polish Covered Bonds Act, the PFSA restricts the activities of a mortgage bank in the field of issuing covered bonds if it is found that the mortgage bank (i) obtained a license to issue covered bonds under the covered bonds program on the basis of false information or documents certifying an untruth or (ii) issues covered bonds under the covered bonds program, flagrantly and persistently violating the law.

The PFSA may restrict the activities of a mortgage bank with respect to the issuance of covered bonds if it finds that the mortgage bank: (i) ceased to meet the conditions for conducting the business of issuing covered bonds; (ii) included derivative contracts for which the conditions specified in the Polish Covered Bonds Act have not been met in the cover pool; (iii) issues covered bonds providing for an extension of their maturity in other cases than bankruptcy; (iv) uses the designations of covered bonds referred to in the Polish Covered Bonds Act contrary to the conditions specified therein or otherwise materially prejudices the interests of investors purchasing covered bonds; (v) violates its information obligations set out in the Polish Covered Bonds Act; or (vi) violates the provisions regarding the liquidity buffer or the cover pool register.

In certain cases the PFSA may, instead of restricting the mortgage bank's activities with respect to issuing covered bonds, impose a fine on the mortgage bank or the mortgage bank's management board member responsible for the violation. The fine may be imposed in the amount of: (i) in the case of its imposition on a mortgage bank - up to 10% of the revenue shown in the last audited financial statements of the mortgage bank, and in the absence of such statements - up to 10% of the projected revenue determined on the basis of the economic and financial situation of the mortgage bank; or (ii) in case of its imposition on the member of the management board of the mortgage bank responsible for the violation - up to PLN 20,000,000. In addition to the fine, the PFSA may order the mortgage bank or the member of the management board responsible for infringements to cease activities constituting an infringement and to refrain from such activities in the future.

The PFSA informs the public and the European Banking Authority about any sanctions imposed under the Polish Covered Bonds Act.

Covered bonds

Covered bonds (*listy zastawne*) are debt securities issued exclusively by mortgage banks and Bank Gospodarstwa Krajowego (BGK) under the Polish Covered Bonds Act, secured by assets that constitute collateral for covered bonds and in respect to which holders of the covered bonds have a direct claim both to the separate bankruptcy estate and to the mortgage bank. There are two types of covered bonds: mortgage covered bonds (*hipoteczne listy zastawne*) and public covered bonds (*publiczne listy zastawne*). A covered bond may be labeled as a "European covered bond" (*europejski list zastawny* or *europejska obligacja zabezpieczona*). A covered bond that meets the requirements set in Article 129 of Regulation no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 may be labeled as a "European Covered Bond (Premium)" (*europejski list zastawny (premium)* or *europejska obligacja zabezpieczona (premium)*). For a description of assets constituting the basis for issuing mortgage covered bonds and public covered bonds, see "Core assets" below.

From 1 July 2019, covered bonds have to be issued in dematerialised form. However, covered bonds with a nominal value of at least EUR 100,000 at the date of issuance may be in document form, provided that, within six months, such covered bonds are registered in the central securities depository within the meaning of the Act on Trading in Financial Instruments or in another registration system in accordance with Article 49, section 1 of Regulation (EU) 909/2014 ("CSDR"). Pursuant to the Act on Trading in Financial Instruments, covered bonds registered in accordance with Article 49, section 1 of the CSDR in another registration system are dematerialised upon such registration. However, this provision does not supersede other relevant laws of the jurisdiction in which the other registration system operates. Based on the legal justification of such change, the requirement to register securities pursuant to Article 49, section 1 of the CSDR was introduced to expressly allow the possibility of registering covered bonds in a securities depository other than the NDS.

Covered bonds constitute direct, unconditional and unsubordinated obligations of the Bank, and rank *pari passu* among themselves and with all other obligations of the Bank which have the same priority as the covered bonds. Any obligations of the Bank arising from the covered bonds are obligations of the Bank that can be repaid from any assets of the Bank, subject to a special regime that applies to obligations arising from covered bonds on the Bank's bankruptcy. The assets which satisfy the relevant criteria set out in the Polish Covered Bonds Act and which cover the obligations of the Bank arising from the covered bonds are referred to in this Base Prospectus as the cover pool. The Polish Covered Bonds Act sets out the criteria that certain assets must meet to be eligible to constitute cover for covered bonds.

Under the Polish Covered Bonds Act, the title to assets in the cover pool is held by the Bank and these assets remain on the Bank's balance sheet. Subject to certain exceptions in the course of the bankruptcy proceedings (described in detail in the "Bankruptcy and Insolvency" section), the holders of the covered bonds do not have direct access to the assets in the cover pool.

In accordance with the Polish Covered Bonds Act, the mortgages established to secure loans included in the cover pool must have the highest priority. This means that, on enforcement of the Bank's claims secured by a mortgage, the Bank's claims will be satisfied after the satisfaction of the enforcement costs, alimonies, and the statutory minimum wage for a three-month period, pensions due as compensation for an illness, inability to work, disability or death but ahead of the other creditors of the Bank.

The aggregate principal amount of outstanding covered bonds may not exceed 40 times the mortgage bank's own funds increased by the general risk reserves created by the mortgage bank.

Terms and conditions of covered bonds

The Polish Covered Bonds Act contains a list of the following mandatory items to be included in the terms and conditions of covered bonds:

- (i) the method and dates of interest payments and the dates and terms of redemption of the covered bond applicable in the event of the declaration of bankruptcy of the mortgage bank;
- (ii) terms and conditions for the performance of covered bond obligations in the event of the initiation of a compulsory restructuring of the mortgage bank; and
- (iii) the powers and role of the PFSA and the trustee in case of declaration of bankruptcy of the mortgage bank.

Covered bonds issuance program

Under the Polish Covered Bonds Act, the elements of the covered bonds issuance program are, at a minimum:

- (i) mortgage bank's operating program including covered bonds issuances;
- (ii) internal regulations of the mortgage bank concerning its operations and covered bonds issuances including (i) regulations on determining the mortgage lending value of real estate and internal regulations for verifying the mortgage lending value of real estate, (ii) internal regulations on mitigating currency and interest rate risks associated with the covered bonds issuance, (iii) internal regulations on granting loans or acquiring receivables from granted loans included in the asset pool, including decisions on their granting, acquisition, amendment, renewal and refinancing and (iv) internal regulations on maintaining the cover pool register, the collateralisation review and conducting the coverage and liquidity test;
- (iii) internal regulations concerning the possession of appropriate qualifications and adequate knowledge regarding the issuance of covered bonds and the administration of the covered bonds program by mortgage bank executives and employees designated to perform activities related to the covered bonds program; and
- (iv) internal regulations regarding the selection of candidates for the position of the cover pool monitor and the deputy cover pool monitor who have the appropriate qualifications and relevant knowledge to perform these functions.

Composition of the Cover Pool

General

A mortgage bank maintains separate cover pools for mortgage covered bonds and public covered bonds. There is only one cover pool for each type of covered bond, so that holders of all mortgage covered bonds have the benefit of the same cover pool and holders of all public covered bonds have the benefit of the same cover pool. The cover pool must comply with the requirements concerning, among others, the value of the assets, set out in the Polish Covered Bonds Act. Under certain conditions set out in the Polish Covered Bonds Act, derivative contracts may be included in the cover pool and the mortgage bank is obliged to collect documentation on such derivative contracts.

Additionally, a mortgage bank must maintain a cover pool register (*rejestr zabezpieczenia listów zastawnych*) for each cover pool indicating the assets constituting the cover pool. A mortgage bank enters both core and substitute assets as well as the assets in the liquidity buffer in the cover pool register. For a description of assets in the liquidity buffer, please see "*Liquidity buffer*" below.

The value of a loan disclosed in the cover pool register is up to the amount of the loan indicated in the relevant loan agreement for the loans originated or acquired by the mortgage bank. Within three months from the end of each financial year, a mortgage bank will announce in "*Monitor Sądowy i Gospodarczy*" the aggregate value of assets entered in the register as at the end of the financial year.

There are two types of assets in the cover pool: the core assets and the substitute assets. At least 85 per cent. of the assets in the cover pool must be core assets. Mortgage banks are subject to a mandatory overcollateralisation requirement, so that at all times the value of the assets in the cover pool must be at least 105 per cent. of the aggregate principal amount of the outstanding covered bonds. If the assets in the cover pool are denominated in a currency different from the currency of the covered bonds, the mortgage bank is required to enter into transactions hedging the currency risk.

A mortgage bank cannot dispose of the assets included in the cover pool without the prior written consent of the cover pool monitor. Generally, a mortgage bank can use the assets in the cover pool as collateral only for the covered bonds. The only exceptions are establishing collateral for derivative contracts entered into by the mortgage bank and entered in the cover pool register and collateral established in favour of settlement systems of which a mortgage bank is a member.

Core assets

For mortgage covered bonds, the core assets consist of mortgage loans, both originated by the mortgage bank and acquired by the mortgage bank from other banks.

The mortgage bank may apply the proceeds from the issuance of covered bonds towards refinancing the mortgage loans in the cover pool. Refinancing in relation to a single loan cannot exceed 80 per cent. of the mortgage lending value for residential properties and 60 per cent. of the mortgage lending value for other properties.

A mortgage securing a loan to be included in the cover pool must have the highest priority. The mortgage bank may disburse the funds to the borrower before the mortgage is entered in the land and mortgage register if the bank received interim security.

Loans secured by mortgages over real property on which construction works are pending cannot exceed 10 per cent. of the aggregate principal amount of loans in the cover pool. Loans secured by mortgages over real property on which there are no buildings, but which is designated for construction in the applicable zoning plan, cannot exceed 10 per cent. of this limit.

For public covered bonds, the core assets are: (i) loans secured by a guarantee of the State Treasury of the Republic of Poland, the NBP, the European Central Bank, governments and central banks of the EU and OECD member states, except for states which are restructuring their external indebtedness or have restructured their external indebtedness in the last five years; (ii) loans to the State Treasury of the Republic of Poland, the NBP, the European Central Bank, governments and central banks of the EU and OECD member states, except for states which are restructuring their external indebtedness or have restructured their external indebtedness in the last five years; (iii) loans to local government units, (iv) loans secured by a guarantee or surety of the local government units; and (v) securities purchased by the mortgage bank issued by the State Treasury of the Republic of Poland, local government units or Bank Gospodarstwa Krajowego, which have been fully secured by a guarantee or surety of the State Treasury.

Substitute assets

The substitute assets, for both mortgage covered bonds and public covered bonds, are securities issued or guaranteed by the State Treasury of the Republic of Poland, the NBP, the European Central Bank, governments and central banks of the EU and OECD member states, except for states which are restructuring their external indebtedness or have restructured their external indebtedness in the last five years, cash deposited by the mortgage bank with the NBP and cash deposited in domestic banks.

Liquidity buffer

A mortgage bank has to maintain a liquidity buffer. The value of the assets in the liquidity buffer must be at least the amount of the maximum cumulative net liquidity outflow over the next 180 days. Net liquidity outflows represent payment outflows due on a given payment date, including payments of the nominal value amount of covered bonds and interest on such bonds, as well as payments on derivative contracts under the covered bond program, after deducting payment inflows due on the same date on the assets backing the covered bonds. The above is calculated taking into consideration the 12-month extension of maturity of covered bonds. The liquidity buffer is created only from assets that qualify as Level 1, 2A or 2B assets in accordance with Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing Regulation (EU) No. 575/2013 of the European Parliament and of the Council with regard to the requirement to cover net outflows for credit institutions that are valued in accordance with the Regulation and are not issued by entities referred to in Article 7 (3) of the Regulation. The assets included in the liquidity buffer cannot be used as a base for issuing covered bonds and, in the event of bankruptcy of a mortgage bank, will belong to a separate bankruptcy asset pool (please see the “*Bankruptcy and Insolvency*” section of this Base Prospectus).

Derivative contracts

Derivative contracts may be included in the cover pool provided that the following conditions are met:

- (i) the derivative contracts were entered into in order to mitigate currency risk or interest rate risk associated with the issued covered bonds, with the volume of derivative contracts hedging the risk in question being reduced accordingly if the risk being hedged is reduced, and if the risk being hedged ceases to exist, the instruments are removed from the cover pool register;
- (ii) a domestic bank, credit institution, brokerage house or foreign investment firm is a party to the derivative contract;
- (iii) the party to the derivative contract: (i) has a credit quality rating of 1 or 2, assigned by an external credit assessment institution; (ii) is not subject to restructuring proceedings; (iii) is not in liquidation or bankruptcy or has not had

an application for bankruptcy dismissed against it; and (iv) is not an entity undergoing restructuring within the meaning of Article 2.44 of the Resolution Act;

- (iv) the derivative contract excludes the power to terminate it upon the initiation of compulsory restructuring or bankruptcy proceedings against the mortgage bank or the dismissal of the application for bankruptcy of the mortgage bank;
- (v) certain requirements set out in Regulation no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 regarding the collateral to the derivative contract, if established, are met; and
- (vi) the valuation of derivative contracts was made in accordance with the accounting principles (policies) adopted by the mortgage bank.

Valuation of assets in the cover pool

As required by the Polish Covered Bonds Act, a mortgage bank should determine the mortgage lending value of a real property in a prudent and cautious manner. The mortgage lending value of a property is determined on the basis of valuation prepared by the mortgage bank or by a separate entity. The cover pool monitor and the PFSA may review the valuation. The detailed principles of determining the mortgage lending value of a real property are issued by the management board of a mortgage bank and are subject to the PFSA's approval. Under Recommendation F issued by the PFSA, if the valuation is conducted by the mortgage bank, it should be conducted by a separate organizational unit within the mortgage bank, independent from the units responsible for selling mortgage loans and handling the loan application process. Additionally, Recommendation F provides that a simplified valuation procedure may be adopted for credit exposures whose value does not exceed PLN 300,000 for properties located in Warsaw, Cracow, Poznań, Wrocław, Gdańsk, Sopot or Gdynia and PLN 200,000 for properties located elsewhere.

The role of the cover pool monitor

The Polish Covered Bonds Act governs the appointment and the responsibilities of the cover pool monitor and the deputy cover pool monitor.

The cover pool monitor monitors whether:

- there is appropriate coverage for the outstanding covered bonds;
- the mortgage lending value of the property was established in accordance with rules of establishing the mortgage lending value of the property adopted by the mortgage bank;
- the mortgage bank maintains the required overcollateralisation level and liquidity buffers;
- the results of the liquidity test and the coverage test confirm that the claims of the holders of the covered bonds can be satisfied in full;
- the mortgage bank maintains the cover pool register in accordance with the applicable regulations; and
- the mortgage bank maintains the appropriate cover pool and controls whether required entries are made in the cover pool register.

The cover pool monitor must notify the PFSA if it identifies any non-compliance by the mortgage bank with the applicable regulations or if the result of the coverage test or the liquidity test is negative. On a monthly basis, the cover pool monitor must provide the PFSA with a copy of the cover pool register for the preceding month countersigned by the cover pool monitor.

Deputy cover pool monitor helps cover pool monitor in performance of its tasks and may replace it in his absence. According to the Polish Covered Bonds Act, there must be one cover pool monitor and at least one deputy cover pool monitor at a mortgage bank. Additional deputy cover pool monitors may be appointed if required due to the scale of the mortgage bank's operations. The cover pool monitors and the deputy cover pool monitors must be citizens of an EU member state, have a university degree and people who can guarantee the proper performance of their obligations. Provisions of this Base Prospectus referring to a cover pool monitor apply accordingly to deputy cover pool monitors.

The cover pool monitor and the deputy cover pool monitors are appointed by the PFSA upon an application from the mortgage bank's supervisory board for a six-year term and may be appointed for one additional term.

The cover pool monitor and deputy cover pool monitors are independent and not bound by the instructions of the body that appointed them, and are independent of the auditing firm that audits the mortgage bank's financial statements. Disputes between the pool monitor and the mortgage bank are resolved by the PFSA.

Monitoring the cover pool

The mortgage bank conducts the collateralisation review (*rachunek zabezpieczenia*). The mortgage bank monitors daily the satisfaction of the overcollateralisation requirements and verifies whether the mortgage bank's interest income from assets in the cover pool is not lower than interest payable under the outstanding covered bonds. Additionally, each mortgage bank has to perform two periodic tests: the coverage test and the liquidity test.

The coverage test verifies whether the value of the assets in the cover pool allows for full satisfaction of all claims under the outstanding covered bonds. Under the decree of the Minister of Finance dated 21 June 2022, a mortgage bank should perform the coverage test using the following formula:

$$\frac{\text{core assets from the cover pool} + \text{substitute assets from the cover pool} + \text{derivative contracts from the cover pool} + \text{liquidity buffer}}{\text{principal amount of outstanding covered bonds} + \text{estimated costs of maintaining the covered bond program and estimated costs of administering the program in the event of its liquidation} + \text{costs of liquidating bankruptcy asset pool} + \text{due and unpaid interest}}$$

The purpose of the liquidity test is to verify that the value of the assets in the cover pool is sufficient for full satisfaction of all claims under the outstanding covered bonds even if the maturity of the covered bonds is extended in bankruptcy proceedings. Under the decree of the Minister of Finance, a mortgage bank should perform the liquidity test for a 180-day period and a 12-month period.

The liquidity test for the 180-day period is conducted using the following formula:

$$\begin{aligned} & (\text{Substitute assets from the cover pool in the amount possible to acquire in the next 180 days} + \text{liquidity buffer} + \\ & \text{payments under derivative contracts for the next 180 days}) - \\ & (\text{Interest payable in the next 180 days} + \\ & \text{principal amount of covered bonds that fall due in the next 180 days} + \\ & \text{estimated costs of maintaining the covered bond program and estimated costs of administering the program in the event} \\ & \text{of its liquidation in the next 180 days} + \text{liquidation costs for the separate bankruptcy estate for the next 180 days}) \end{aligned}$$

The liquidity test for the 12-month period is conducted using the following formula:

$$\begin{aligned} & (\text{Substitute assets from the cover pool in the amount possible to acquire in the next 12 months} + \text{liquidity buffer} + \\ & \text{payments under derivative contracts for the next 12 months} + \\ & \text{interest under core assets from the cover pool for the next 12 months} + \\ & \text{repayment of principal of core assets in the cover pool for the next 12 months}) - \\ & (\text{Interest payable in the next 12 months} + \\ & \text{principal amount of covered bonds that fall due in the next 12 months (assuming a 12-month extension of the maturity} \\ & \text{date of the covered bonds)} + \\ & \text{obligations towards holders that became due but were not paid before the date of declaration of bankruptcy} + \text{estimated} \\ & \text{costs of maintaining the covered bond program and estimated costs of administering the program in the event of its} \\ & \text{liquidation in the next 12 months} + \text{liquidation costs for the separate bankruptcy estate for the next 12 months}) \end{aligned}$$

The liquidity test should be performed by taking into account interest and the principal amount payable in respect of covered bonds: (i) in the next 180 days; and (ii) in the next 12 months.

In conducting the tests, the mortgage bank should take into account (i) derivative contracts included in the cover pool, whereby: a) in the coverage test it should take into account the value of acquired derivative contracts and changes in their value and b) in the liquidity test it should take into account payments on derivative contracts, (ii) estimated costs of maintaining the covered bond program and estimated costs of administering the program in the event of its liquidation and (iii) liquidation costs of the separate bankruptcy estate and foreign exchange and interest rate differences if such differences were not hedged with appropriate hedging transactions. The tests are conducted by reference to the market conditions as at the day of the test and by reference to adverse market conditions.

The liquidity test must be performed at least every three months and the coverage test must be performed every six months. The test results are positive if they demonstrate that on the date of conducting the tests the assets entered in the cover pool register were sufficient to satisfy the claims of holders of the covered bonds in full. The test results are verified by the cover pool monitor. If the result of any test is negative, the cover pool monitor must notify the PFSA.

The Covered Bonds Directive and its implementation into Polish law

The Covered Bonds Directive entered into force on 7 January 2020. The Covered Bonds Directive is the first directive harmonising covered bonds legislation in the EU and covers, in particular, the following:

- requirements for issuing covered bonds;

- the structural features of covered bonds;
- covered bond public supervision; and
- publication requirements in relation to covered bonds.

The act implementing the Covered Bonds Directive to Polish law was adopted on 7 April 2022 and came into force on 8 July 2022. The main amendments included in particular:

- the decrease of the minimum level of overcollateralization of covered bonds to 5% from 10% (in accordance with the limits set out in Regulation (EU) 2019/2160 of the European Parliament and of the Council of 27 November 2019 amending Regulation (EU) No 575/2013 as regards exposures in the form of covered bonds);
- the change of the minimal principal amount of a covered bond in the documentary form (including in the new global covered bond form) to EUR 100,000 or its equivalent in another currency (currently, under the Polish Covered Bonds Act the principal amount of a covered bond in the documentary form must exceed EUR 100,000 or its equivalent in other currency);
- expansion of the mandatory items to be included in the terms and conditions of covered bonds (e.g., provisions setting out the manner of performance of the bank's obligation under the covered bonds in the case of resolution of the mortgage bank);
- the alignment of the liquidity buffer of mortgage banks to the level set out in the Covered Bonds Directive (currently, mortgage banks are required to maintain a liquidity buffer equivalent to at least six months of nominal interest income on mortgage bonds outstanding to ensure the timely servicing of interest receivables on mortgage bonds);
- clarification of the requirements for derivatives to be registered in the cover pool;
- introducing an obligation for the mortgage bank to provide the PFSA with information on mortgage bond issuances and specifying the scope of this information, as well as certain other information required to be on the mortgage bank's website;
- new provisions concerning the fines and sanctions that may be imposed on mortgage banks by the PFSA; and
- introduction of new rules regarding the labelling of covered bonds.

BANKRUPTCY AND INSOLVENCY

Centre of main interest

The Bank has its registered office in the Republic of Poland. As a result, there is a rebuttable presumption that its centre of main interest (“COMI”) is in the Republic of Poland and, consequently, that any main insolvency proceedings applicable to it would be governed by Polish law.

As per the provisions of Article 3 of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (the “**Insolvency Regulation**”), the place of the company’s registered office is presumed to be the company’s COMI in the absence of proof to the contrary (provided, however, that this presumption only applies if the registered office has not been moved to another Member State within the three-month period prior to the request for the opening of insolvency proceedings). The CJEU, in its decision in relation to Eurofood IFSC Limited, held that the presumption can only be rebutted if factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect. Although the decision was made on the basis of the provision of the Council Regulation (EC) No. 1346/2000, the Bank believes that it should apply, accordingly, to the provisions of the Insolvency Regulation. As the Bank has its registered office in the Republic of Poland, its management board consists of mainly Polish persons and it is registered for tax in the Republic of Poland, the Bank does not believe that factors exist that would rebut this presumption; however, there can be no assurance that a court would agree with this presumption.

Recovery plan

If a mortgage bank is in breach of the capital adequacy requirements, there is a threat that a mortgage bank might breach the capital adequacy requirements, the financial position of the mortgage bank deteriorated materially, the mortgage bank demonstrates a loss, there is a threat that the mortgage bank may demonstrate a loss, there is a risk that the mortgage bank may become insolvent or illiquid, the leverage ratio is increasing, the value of non-performing loans or the concentration of exposure is increasing, the mortgage bank should notify the PFSA and BFG.

The PFSA may:

- request the mortgage bank to implement the recovery plan;
- order the mortgage bank to stop granting loans to the bank’s shareholders, the members of the bank’s management board and supervisory board, and the bank’s employees;
- request the mortgage bank to decrease certain variable elements of the remuneration of individuals holding managerial positions in the mortgage bank or to suspend payment of these variable elements;
- request the mortgage bank’s management board to convene a general meeting of the shareholders to ascertain the situation of the mortgage bank, adopt a decision on covering the balance sheet loss and take other decisions, including a decision on increasing the mortgage bank’s own funds;
- request the mortgage bank to dismiss a person holding a managerial position at the mortgage bank;
- order the mortgage bank to prepare and implement a restructuring plan (*plan restrukturyzacji*);
- request the mortgage bank to amend its business strategy; or
- request the bank to amend its constitutional documents or the organizational structure.

The PFSA may also appoint a trustee (*kurator*) to oversee the execution of the recovery plan. The trustee may participate in the meetings of the mortgage bank’s governing bodies and has access to all information necessary to perform his duties. The trustee may also file with the relevant court an objection against the decisions of the mortgage bank’s management board and supervisory board. The trustee may also bring an action against the resolution of general meeting of shareholders of the mortgage bank if such resolution adversely affects the interests of the mortgage bank.

If the measures ordered by the PFSA are insufficient or the implementation of the recovery plan is insufficient to remedy the situation of the bank, the PFSA may decide to appoint a receiver (*zarząd komisaryczny*). The receiver replaces the management board and the supervisory board and takes over the management of the mortgage bank. The receiver prepares a recovery plan and, after agreeing the plan with the PFSA, executes it.

Liquidation

If, after six months from convening an extraordinary general meeting of the shareholders referred to in “*Recovery plan*” above, the loss of the mortgage bank exceeds half of the mortgage bank’s own funds, the PFSA may revoke the bank’s banking licence and order its liquidation.

The liquidation of a bank is conducted by a liquidator (*likwidator*) appointed by the PFSA. Upon the liquidator's appointment, the management board of the bank is dismissed and the supervisory board is suspended. The liquidator takes over the management of the bank and represents the bank in all matters. The purpose of the liquidation proceedings is to collect the bank's outstanding claims, liquidate its assets and terminate the bank's operations. The claims of the holders of the covered bonds and the counterparties to eligible hedging are satisfied on *pro rata* basis from the assets in the cover pool ahead of claims of other creditors of the mortgage bank. The claims of the bank's shareholders are satisfied after the satisfaction of the claims of the other creditors of the bank. Once the liquidator completes the liquidation, the liquidator files a report with the PFSA and applies to the court maintaining the register of entrepreneurs (*rejestr przedsiębiorców*) to delete the bank from the register of entrepreneurs. The bank ceases to exist on the day it is deleted from the register of entrepreneurs.

Compulsory Restructuring

The BRRD was implemented in Poland by the Resolution Act, which entered into force on 9 October 2016.

Under the Resolution Act, the BFG became the applicable resolution authority and was granted broad powers with respect to the Polish banks and other financial institutions (a "**Resolution Entity**"). The BFG can either initiate compulsory restructuring proceedings concerning a Resolution Entity or decide to apply the bail-in tools concerning its capital instruments if (i) the threat of that Resolution Entity's insolvency cannot be ruled out by steps taken by it or its supervisory authorities, or (ii) initiating such BFG's actions are in the public interest.

The BFG can apply the following resolution tools with respect to the Resolution Entity:

- sale of business;
- bridge institution;
- asset separation; and
- bail-in (i.e., compulsory write-down or conversion of Resolution Entity's obligations).

The above tools may be applied separately or in any combination save that asset separation can only be applied in conjunction with another resolution tool.

In addition to the resolution tools, the Resolution Act grants certain resolution powers to the BFG, including:

- the right to suspend the termination rights of a party to an agreement with the Resolution Entity until midnight on the business day following the date on which the publication notice of that suspension occurs;
- the right to suspend the termination rights of a party to an agreement with a subsidiary of the Resolution Entity until midnight on the business day following the date on which the publication notice of that suspension occurs, provided that certain conditions are met;
- the right to suspend the performance of any due obligations of the Resolution Entity under an agreement until midnight on the business day following the date on which the publication notice of that suspension occurs; and
- the right to suspend the rights of a secured creditor to enforce a security interest concerning any assets of the Resolution Entity until midnight on the business day following the date on which the publication notice of that suspension occurs.

The above suspension rules do not apply to certain types of claims specified in detail in the Resolution Act.

If compulsory restructuring proceedings are commenced, the mortgage bank is obliged to submit certain information listed in the Polish Covered Bonds Act, including, among others, the value of assets pledged as collateral for covered bonds, to the PFSA.

In addition, when compulsory restructuring proceedings are initiated, the PFSA cooperates with the BFG in order to ensure that the rights and interests of the Covered Bond Holders are preserved, including ensuring continuous and sound management of the Programme during the period of the resolution process.

The payment obligations of the Bank under the Covered Bonds are not subject to automatic acceleration upon resolution. In the event the Bank becomes subject to resolution, secured liabilities comprising a separate and secured pool, such as obligations of the Bank under the Covered Bonds, remain valid and binding and shall not be subject to compulsory write-down or conversion into equity up to the amount by which all amounts due and payable in respect of such Covered Bonds is fully covered by the Cover Pool. However, the Covered Bonds may be subject to compulsory write-down or conversion to equity to the extent that the value of the Cover Pool is not sufficient to satisfy all claims in respect of amounts due and payable under such Covered Bonds.

Pursuant to the Resolution Act, the BFG may decide to change the Conditions of the Covered Bonds or transfer assets in the Cover Pool to another entity, provided that such change or transfer should not be detrimental to the rights of the Covered

Bond Holders or affect the existing level of collateralisation of the Covered Bonds. In particular, the Bank Guarantee Fund shall not: (i) transfer the assets included in the Cover Pool without transferring the liabilities under the Covered Bonds, or (ii) transfer liabilities under the Covered Bonds without transferring the assets in the Cover Pool.

A party to an agreement with the Resolution Entity cannot terminate that agreement due to the BFG's declaration of the initiation of the Resolution Proceedings or the BFG's exercise of its rights within the resolution proceedings, assuming that all the principal obligations under that agreement to make payments or deliveries or provide collateral continue to be performed by the applicable Resolution Entity.

Bankruptcy

General

A creditor of a bank, including a holder of debt securities issued by a bank, cannot file a petition for commencement of bankruptcy proceedings against banks. Such petition may only, in circumstances provided for in the relevant legislation, be filed by the PFSA or the BFG.

If, according to the balance sheet prepared as at the last day of the relevant reporting period, the assets of the bank are not sufficient to satisfy the bank's obligations, the management board, the receiver or the liquidator must promptly notify the PFSA. The PFSA will take a decision on whether to suspend the bank's operations and appoint a receiver if a receiver was not previously appointed and will file a petition to the relevant court for the commencement of bankruptcy proceedings. The PFSA will also suspend the bank's operations and appoint a receiver and will file a petition for the commencement of bankruptcy proceedings if, for reasons directly connected with the financial situation of the bank, the bank fails to satisfy its obligations to pay the guaranteed funds specified in Article 2, item 68 of the Resolution Act.

The PFSA is not permitted to file a petition to the relevant court for the commencement of bankruptcy proceedings if the BFG has commenced compulsory restructuring in respect of the bank. However, under the Resolution Act, the BFG is also authorised to file a motion to declare a mortgage bank bankrupt if in the course of compulsory restructuring the application of certain resolution tools, i.e., sale of business, bridge institution, and/or asset separation did not result in the sale of the bank subject to the proceedings and according to the balance sheet prepared as at the last day of the relevant reporting period, the assets of the bank are not sufficient to satisfy the bank's obligations.

In the case of declaration of bankruptcy or dismissal of the motion for bankruptcy, the mortgage bank is obliged to submit certain information listed in the Polish Covered Bonds Act, including, among others, the value of assets pledged as collateral for covered bonds, to the PFSA.

Before declaring a bank's bankruptcy, the bankruptcy court will question a representative of the PFSA, a representative of the BFG, the members of the bank's management board and receiver, and the liquidator regarding the grounds for declaring the bank bankrupt and the candidates for the bankruptcy receiver (*syndyk*).

On the day the bank is declared bankrupt, the management and supervisory bodies of the bank are dissolved. The receivership and the appointment of the liquidator expire. Additionally, the rights of the members of the bank's corporate bodies to receive severance payments and remuneration for the period after the declaration of bankruptcy expires.

Additionally, on the day the bank is declared bankrupt:

- bank account agreements are terminated and interest on deposits is calculated until the date of declaration of bankruptcy; and
- loan agreements are terminated if the funds were not disbursed prior to the date of declaration of bankruptcy.

Position of holders of covered bonds

If the mortgage bank is declared bankrupt, holders of covered bonds can pursue claims against both the mortgage bank and the pool of assets securing the covered bonds segregated into a separate bankruptcy estate.

On the declaration of a mortgage bank's bankruptcy, the following assets will constitute a separate bankruptcy asset pool:

- the assets in the cover pool, including the rights under the derivative contracts which comply with the requirements described in "Overview of the Polish covered bonds legislation – Composition of the Cover Pool";
- the assets in the liquidity buffer;
- proceeds from payments under receivables in the cover pool; and
- assets acquired by the mortgage bank in exchange for assets in the cover pool.

If there is any doubt as to whether a mortgage bank's asset should be included in the separate bankruptcy asset pool, for the purpose of the bankruptcy proceedings, it is included in the bankruptcy estate up to its value indicated in the cover pool register.

If there is any surplus left in the separate bankruptcy asset pool after satisfying the claims of the holders of the covered bonds, it is added to the general bankruptcy estate of the mortgage bank.

In principle, the mortgage bank's creditors cannot set-off their claims against the mortgage bank with the mortgage bank's claims against these creditors included in the separate bankruptcy asset pool. The only exceptions, subject to satisfying additional requirements regarding the inclusion in the asset pool constituting collateral, are:

- set-off of claims under hedging transactions indicated in the cover pool register; and
- settlement of claims between the mortgage bank and the payment and settlement system of which the mortgage bank is a member as well as settlement of financial collateral granted by the mortgage bank.

The rules concerning satisfaction of claims of the holders of covered bonds on a mortgage bank's bankruptcy also apply to satisfaction of claims of counterparties to hedging transactions entered into by the mortgage bank which are entered in the cover pool register.

After consultation with the PFSA, the bankruptcy court will appoint a trustee (*kurator*) who will represent the holders of the covered bonds in the bankruptcy proceedings. The PFSA and the trustee may exchange information on the covered bond issuance program with each other to the extent necessary to conduct bankruptcy proceedings. The holders of the covered bonds may also participate in the bankruptcy proceedings after receiving consent from the judge-commissioner (*sędzia komisarz*) conducting the proceedings.

The bankruptcy court will also appoint a bankruptcy receiver. The bankruptcy receiver takes over the management of the mortgage bank's assets from the bank's management and should liquidate the bankrupt bank's assets. From his appointment, the bankruptcy receiver acts in his own name, but on behalf of the bankrupt bank.

Within 21 days from the day of declaration of the mortgage bank's bankruptcy, the trustee will report to the bankruptcy estate:

- the aggregate principal amount of the outstanding covered bonds which became due before the date of declaration of bankruptcy;
- the aggregate amount of all interest outstanding under the covered bonds; and
- the aggregate principal amount all outstanding covered bonds due after the date of declaration of bankruptcy, interest due after the date of declaration of bankruptcy and any applicable premiums.

On the date of declaration of bankruptcy, the maturity of all outstanding covered bonds is extended by the meetings of Holders of Covered Bonds. The obligations towards holders of the covered bonds which became due before the declaration of bankruptcy and which were not paid are satisfied within 12 months from the date of the declaration of bankruptcy, but no earlier than the day falling after the results of the coverage test and the liquidity test are announced. Due interest under the covered bonds is paid in the manner set out in the terms and conditions of the covered bonds. Extension of the maturity of the issued covered bonds is allowed only if the mortgage bank is declared bankrupt.

Within three months from the date the bank was declared bankrupt, the bankruptcy receiver is required to conduct the coverage test and the liquidity test (for a detailed description of the tests, please see "*Overview of the Polish Covered Bonds Legislation – Monitoring the cover pool*"). The results of the tests are positive if the separate bankruptcy asset pool is sufficient to satisfy the claims of the holders of all outstanding covered bonds. The test results are published by the judge-commissioner.

If the results of both tests are positive, the claims under the covered bonds are satisfied in accordance with the terms and conditions of the covered bonds, taking into account the extension of maturity of the covered bonds by 12 months. In this scenario, the receiver may enter into hedging transactions.

Within two months from the date the test results are announced, a meeting of holders of the covered bonds may request the receiver, by way of resolution adopted with a majority of two-thirds of votes of holders of the outstanding covered bonds, to sell all receivables and rights in the separate bankruptcy asset pool:

- to another mortgage bank together with transferring to the purchaser all obligations of the bankrupt bank under the covered bonds; or
- to another bank or another mortgage bank without transferring to the purchaser the obligations of the bankrupt bank under the covered bonds.

A meeting of the holders of the covered bonds may be convened if a request for convening the meeting is made within a month from the date the test results are announced. If this resolution is adopted, interest under the covered bonds until the date of sale of the assets is paid from the assets in the separate bankruptcy asset pool.

If the proceeds from the sale of assets in the separate bankruptcy asset pool reduced by the interest under the outstanding covered bonds payable in the next six months and the amount of claims of holders of the covered bonds which became due

before the date of declaration of bankruptcy and which were not paid before that date, are at least five per cent. of the principal amount of the outstanding covered bonds, the claims of the holders of the covered bonds may be satisfied pro rata before the extended maturity date. These proceeds will be paid to the holders of the covered bonds on the next interest payment date, but not earlier than two months after the day of submission of the receiver's report or 14 days after the day on which the decision of the judge-commissioner on the reimbursement to the bankruptcy estate of the amount incurred for an expense that was denied recognition becomes final and binding, if the judge-commissioner issued such a decision.

If the results of the coverage test are positive and the results of the liquidity test are negative, the maturity date of the covered bonds, including the covered bonds which became due before the date of declaration of bankruptcy, is extended to the date falling three years after the latest maturity date of a mortgage bank's receivables in the cover pool. If there is an excess in proceeds under the loans received by the bank, after deducting interest payable in the next six months and the costs of bankruptcy proceedings of at least 5 per cent. of the principal amount of the outstanding covered bonds, the holders of the covered bonds will receive payments under the covered bonds before the extended maturity date. These payments will be made pro rata on the next interest payment date, but not earlier than two months after the day of submission of the receiver's report or 14 days after the day on which the decision of the judge-commissioner on the reimbursement to the bankruptcy estate of the amount incurred for an expense that was denied recognition becomes final and binding if the judge-commissioner issued such a decision.

A meeting of the holders of the covered bonds may, within three months from the date of announcing the results of the tests, adopt a resolution on disapplying the extension of the maturity date or on the sale of the assets in the cover pool. The assets in the cover pool may be sold to another bank which is not a mortgage bank without transferring to the purchaser the obligations of the bankrupt bank under the covered bonds. The assets in the cover pool, the possession of which is not restricted to banks, may also be sold to an entity which is not a bank.

If the results of the coverage test are negative, the maturity date of the covered bonds, including the covered bonds which became due before the date of declaration of bankruptcy, is extended to the date falling three years after the latest maturity date of a mortgage bank's receivable in the cover pool. If there is an excess in proceeds under the loans received by the bank, after deducting interest payable in the next six months and the costs of bankruptcy proceedings, of at least 5 per cent. of the principal amount of the outstanding covered bonds, the holders of the covered bonds will receive payments under the covered bonds before the extended maturity date. These payments will be made on the next interest payment date, but not earlier than 14 days after the day on which the decision of the judge-commissioner approving the receiver's report on the progress of the bankruptcy proceedings becomes final and binding.

A meeting of the holders of the covered bonds may, however, adopt a resolution on disapplication of the extension of the maturity date or on sale of the assets in the cover pool. The assets in the cover pool may be sold to another bank which is not a mortgage bank without transferring to the purchaser the obligations of the bankrupt bank under the covered bonds. The assets in the cover pool, the possession of which is not restricted to banks, may also be sold to an entity which is not a bank.

The order of priority of satisfaction of claims from the separate bankruptcy asset pool is as follows:

- costs of liquidating the separate bankruptcy asset pool which include the trustee's fee, interest and other ancillary payments under the covered bonds and from periodic interest payments made under derivative contracts; and
- claims on covered bonds at their nominal value and claims on derivative contracts.

If the separate bankruptcy asset pool is not sufficient to satisfy the claims of the holders of the covered bonds, these claims will be satisfied from the general bankruptcy estate. The funds from the general bankruptcy estate designated for satisfying the claims of the holders of the covered bonds will be transferred to the separate bankruptcy asset pool.

TAXATION

Poland

General information

The following is a discussion on certain Polish tax considerations relevant to an investor who is a resident in Poland or which is otherwise subject to Polish taxation. This statement should not be understood as tax advice. It is based on Polish tax laws and, as their interpretation in effect as at the date of this Base Prospectus, it may thus be subject to change, including a change with retroactive effect. Any change may negatively affect the tax treatment, as described below. This description does not purport to be complete with respect to all tax information that may be relevant to investors due to their personal circumstances. Prospective purchasers of the Covered Bonds are advised to consult their professional tax adviser regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of any Covered Bonds. The information provided below does not cover tax consequences concerning income tax exemptions applicable to specific taxable items or specific taxpayers (e.g. domestic or foreign investment funds).

The reference to “interest” as well as to any other terms in the paragraphs below means “interest” or any other term as understood in Polish tax law.

Polish tax resident individuals (natural persons)

Under Article 3 clause 1 of the Personal Income Tax Act dated 26 July 1991 (the “**PIT Act**”), natural persons, if resident in the territory of Poland, are liable for tax on their total income (revenue) irrespective of the location of the sources of revenue (unlimited obligation to pay tax). Under Article 3 clause 1a of the PIT Act, a resident of Poland is a natural person who: (i) has the centre of personal or economic interest (centre of interest) in territory of Poland; or (ii) stays in the territory of Poland for over 183 days in a given tax year. This rule, however, may be overridden by the provisions of the applicable tax treaty.

Taxation of interest income (discounts) from Covered Bonds

Under Article 30a clause 1 point 2 of the PIT Act, income from interest (discounts) on securities, including Covered Bonds (except for interest constituting income from redemption by the Bank of bonds referred to in Article 30a clause 1 point 2a of the PIT Act) is subject to a flat-rate tax of 19% (Article 30a clause 1 point 2a refers to bonds and provides that a 19% tax is levied on income from redemption by the Bank of bonds on which periodic payments are due).

Pursuant to Article 30a clause 7 of the PIT Act, income referred to in Article 30a clause 1 of the PIT Act is not combined with income taxed under general rules (according to a progressive scale), but in accordance with Article 30a clause 1 point 2 of the PIT Act, it is subject to a 19% flat tax.

If a natural person who is a Polish tax resident holds Covered Bonds as business assets, as a rule, interest (discount) should not be subject to withholding tax, but should be taxed in the same way as other income from business activities.

Pursuant to Article 41 clause 4 of the PIT Act, natural persons conducting business activity, legal persons and their organizational units, as well as organizational units without legal personality, are required to collect a flat-rate income tax on payments (benefits) made or money or monetary values made available to the taxpayer, inter alia, on the grounds specified in Article 30a clause 1 points 1-11 of the PIT Act. With regard to Covered Bonds, the PIT Act introduces special rules regarding the payer's obligation. A more detailed description can be found in the section “Covered Bonds held by non-Polish tax residents: natural person or corporate income taxpayers” devoted to personal income tax.

Special rules apply if the Covered Bonds are held in a collective account and the identity of the taxpayers is not disclosed to the entity maintaining that collective account. Pursuant to Article 41 clause 10 of the PIT Act, in the case of payments of amounts due referred to in Article 30a clause 1 points 2, 2a and 5 of the PIT Act, to taxpayers who are persons entitled to securities recorded in omnibus accounts, whose identity has not been disclosed to the payer in accordance with separate provisions, the payer shall collect withholding tax at a rate of 19% on the total value of income (revenues) transferred by him to all such taxpayers through the collective account holder.

Pursuant to Article 45 clause 3b of the PIT Act, if tax has not been collected at source, taxpayers are required to settle it themselves in their annual tax return, submitted by April 30 of the following year.

Capital gains from disposal of the Covered Bonds

Under Article 30b clause 5 of the PIT Act, income from a disposal of securities, including the Covered Bonds, for remuneration is not added to general income, which is subject to the progressive tax rate, but under Article 30b clause 1 of the PIT Act it is subject to the 19 per cent. flat rate tax (with a stipulation regarding Covered Bonds held as a business asset - see paragraph below). Pursuant to Article 30b clause 2 point 1 of the PIT Act, income is calculated as the difference between the sum of proceeds from the sale of securities and the costs of obtaining income, calculated on the basis of the relevant provisions of the PIT Act.

Pursuant to Article 45 clause 3b of the PIT Act, a natural person must declare tax in their annual tax return if the tax has not been collected by the payer, which essentially means that a natural person must settle the tax themselves in cases where the payer was not obliged to do so. Pursuant to Article 45 clause 1 of the PIT Act, the annual tax return should be submitted by April 30 of the following year. Pursuant to Article 39(3) 3 of the PIT Act, natural persons conducting business activity, legal persons and their organizational units, as well as organizational units without legal personality, are required to send to the taxpayer and to the tax office through which the head of the tax office competent for the taxpayer's place of residence performs his duties, and in the case of a taxpayer referred to in Article 3(2a), to the tax office through which the head of the tax office competent for the taxpayer's place of residence performs his duties, specific information on the amount of income, 2a, to the tax office through which the head of the tax office competent in matters of taxation of foreign persons performs his duties, personal information on the amount of income referred to in Article 30b(2), prepared in accordance with the established template. Pursuant to Article 42g(1) of the PIT Act, payers shall provide the information referred to, inter alia, in Article 39(3) of the PIT Act: 1) to the tax office - by the end of January of the year following the tax year; 2) to the taxpayer - by the end of February of the year following the tax year.

Additionally, under Article 39 clause 2 in conjunction with Article 42g clause 1 of the PIT Act, the entity not acting as a payer but providing income information (e.g., from capital gains or other sources not subject to withholding) is obliged to prepare and submit a PIT-8C form. This form must be delivered to both the taxpayer and the competent tax office (US) by the end of February of the following year. Failure to provide the PIT-8C form may result in non-compliance and expose the entity to penalties under the Fiscal Penal Code.

The above provisions shall not apply if the Covered Bonds are held as part of business activities and are treated as assets related to the business. In such a case, pursuant to Article 30b clause 3 of the PIT Act, income from the sale of Covered Bonds should be treated as income from business activities and taxed according to the rules applicable to income from business activities and taxed according to the rules applicable to income from this source at a flat rate of 19% or a progressive rate, depending on the choice and fulfilment of certain conditions by the individual. The tax should be settled by the individual.

Polish tax resident corporate income taxpayers

Corporate income tax payers, if they have their registered office or management in Poland, are subject to tax on their entire income, regardless of where it is earned (Article 3 clause 1 of the CIT Act).

According to Article 3 clause 1a of the CIT Act, taxpayer has a management board in Poland, inter alia, when the taxpayer's day-to-day affairs are conducted in Poland in an organized and continuous manner on the basis of, in particular: (1) a contract, decision, court order, or other document governing the establishment or operation of that taxpayer; or (2) powers of attorney granted; or (3) relations within the meaning of Article 11a clause 1 (5) of the CIT Act (related parties within Polish transfer pricing regulations).

The appropriate tax rate is the same as the tax rate applicable to business activity, i.e. generally 19 per cent or 9 per cent for small taxpayers, i.e. those whose revenue in a tax year does not exceed EUR 2 million (with the exceptions listed in Article 19 clause 1-1e of the CIT Act), taking into account the relevant source of revenue (the lower rate does not apply to income classified as capital gains – Article 7b of the CIT Act).

A Polish tax resident should be subject to income tax on the Covered Bonds (both on any capital gains and on interest/discount) following the same principles as those that apply to any other income earned on business activity within the same source of income (capital profits – *zyski kapitałowe*). Under the CIT Act, income is determined separately for each relevant basket, i.e. revenues from capital gains are separated from revenues from other sources. Correspondingly, the tax losses are determined separately for each of these baskets, whereby a tax loss from one basket may not be deducted from the income in another basket.

As a rule, for Polish income tax purposes, interest is recognized as revenue on a cash basis, i.e. when it is received, not when it is accrued. Revenue from the sale of Covered Bonds is, as a rule, their value expressed in the price specified in the agreement. If the price specified in the agreement deviates significantly from the market value without a valid reason, the amount of income is determined by the tax authority at market value (Article 14 of the CIT Act). In the case of income from the sale of securities, tax-deductible costs are generally recognized when the corresponding income is earned. The taxpayer independently (without the involvement of the payer) settles income tax on interest/discounts and on the sale of securities, which is settled together with other income from the taxpayer's business activity within the same source of income.

Special rules apply if the Covered Bonds are held in a collective account and the identity of the taxpayers is not disclosed to the entity maintaining that collective account. Pursuant to Article 26 clause 2a of the CIT Act, where interest payments are made to taxpayers who are persons entitled to securities recorded in collective accounts whose identity has not been disclosed to the payer in accordance with separate regulations, the payer shall withhold tax at source at a rate of 20% of the total value of income (revenues) transferred by him to all such taxpayers through the holder of the collective account.

Covered Bonds held by non-Polish tax residents: natural person or corporate income taxpayers

Non-Polish tax residents means:

- natural persons, if they do not have their place of residence in the Republic of Poland (Article 3 clause 2a of the PIT Act);
- corporate income taxpayers, if they do not have their registered office or place of management in the Republic of Poland (Article 3 clause 2 of the CIT Act).

If a non-Polish tax resident recipient of interest acts through a permanent establishment in Poland to which the interest is related, as a matter of principle it should be treated in the same manner as a Polish tax resident.

Non-Polish tax residents are subject to Polish income tax only on their income earned in the Republic of Poland (limited tax liability).

Under Article 3 clause 3 of the CIT Act, income (revenues) sourced in the Republic of Poland by non-residents includes, in particular, income (revenues) from:

- (a) immovable property located in the Republic of Poland or rights to such property, including from its disposal in whole or in part, or from the disposal of any rights to such property;
- (b) securities and derivatives other than securities, admitted to public trading in the Republic of Poland as part of the regulated stock exchange market, including those obtained from the disposal of these securities or derivatives, or the exercise of rights resulting from them;
- (c) the transfer of the ownership of shares in a company, all of the rights and obligations in a company that is not a legal entity or shares in an investment fund, mutual fund institution or other legal entity and rights of similar character, or receivables being the result of holding such shares, all of the rights and obligations, participation titles or rights, if at least 50 per cent. of the assets of such company, company that is not a legal entity, such investment fund, such mutual fund institution or other legal entity, directly or indirectly, constitutes real estate located in the territory of the Republic of Poland or rights to such property;
- (d) the transfer of the ownership of shares, all of the rights and obligations, shares in investment fund or rights of similar character in real estate company (in the meaning of the Polish tax regulations);
- (e) the receivables settled, including receivables put at disposal, paid out or deducted, by individuals, entities, or organisational units without a legal personality, that have their place of residence, registered office, or management board in the Republic of Poland, irrespective of the place of concluding or performing the agreement; and
- (f) unrealised gains referred to in the exit tax chapter.

Similar provisions regarding personal income tax are contained in Article 3 clause 2b of the PIT Act.

It should be noted that the list of income (revenues) sourced in Poland, as provided for in Article 3 clause 3 of the CIT Act and Article 3 clause 2b of the PIT Act, is not exhaustive, therefore other income (revenues) may also be considered as sourced in Poland.

Due to the fact that the Bank is a Polish entity and due to point e) above, in many cases interest on Covered Bonds should be treated as earned in Poland.

Exemption from interest (discount) on Covered Bonds obtained by taxpayers subject to limited tax liability in Poland and exemption from collection

Corporate Income Tax

Pursuant to Article 17 clause 1 point 50a of the CIT Act, interest or discount on Covered Bonds obtained by taxpayers referred to in Article 3 clause of the CIT Act, i.e. taxpayers subject to limited tax liability in Poland, are exempt from tax.

Pursuant to Article 26 clause 1aa point 1 of the CIT Act, payers are not required to collect tax on interest or discount on Covered Bonds.

Special rules apply if the Covered Bonds are held in a collective account and the identity of the taxpayers is not disclosed to the entity maintaining that collective account. Pursuant to Article 26 clause 2a of the CIT Act, where interest is paid to taxpayers who are persons entitled to securities recorded in collective accounts whose identity has not been disclosed to the payer in accordance with separate regulations, the payer shall withhold tax at source at a rate of 20% of the total value of income (revenues) transferred by the payer to all such taxpayers through the holder of the collective account.

Personal Income Tax

Pursuant to Article 21 clause 1 point 130a of the PIT Act, interest or discount on Covered Bonds obtained by natural persons referred to in Article 3 clause 2a of the PIT Act, i.e. persons not residing in the territory of the Republic of Poland, i.e. subject to limited tax liability in the territory of Poland, are exempt from income tax.

Pursuant to Article 41 clause 4d of the PIT Act, flat-rate income tax on income (revenues) referred to in Article 30a clause 1 points 2, 2a and 5 of the PIT Act shall be collected, as payers, by entities maintaining securities accounts for taxpayers, if such income (revenues) was obtained in the territory of the Republic of Poland and is related to securities recorded on these accounts, and the payment to the taxpayer is made through these entities. The first sentence also applies to entities referred to in Article 3 clause 2 of the CIT Act to the extent that they conduct business activity through a foreign establishment located in the territory of the Republic of Poland, if the account on which the securities are recorded is related to the activity of that establishment.

Pursuant to Article 41 clause 24 point 1 of the PIT Act, payers are not obliged to collect tax on interest or discount on Covered Bonds, including in the case referred to in Article 41 clause 12 of the PIT Act, with the exception of the payer referred to in clauses 4d and 10 with respect to income (revenues) earned by the taxpayer referred to in Article 3 clause 1 (i.e., natural persons subject to unlimited tax liability in Poland).

Pursuant to Article 41 clause 12 of the PIT Act, if the total amount of payments (benefits) made to a related entity or money or monetary values made available to it for the purposes specified in Article 29 clause 1 point 1 and Article 30a clause 1 points 1-5a of the PIT Act, on the excess over PLN 2,000,000, excluding the tax rate, exemptions or conditions for non-collection of tax resulting from specific provisions or double taxation agreements.

The exemption from collection by the payer (referred to in Article 41 clause 4d and 10 of the PIT Act) specified in Article 41 clause 24 of the PIT Act covers entities acting as payers, entities maintaining securities accounts and collective accounts.

Special rules apply if the Covered Bonds are held in a collective account and the identity of the taxpayers is not disclosed to the entity maintaining that collective account. Pursuant to Article 41 clause 10 of the PIT Act, where payments are made on account of the amounts referred to in Article 30a clause 1 points 2, 2a and 5 of the PIT Act to taxpayers who are persons entitled to securities recorded in collective accounts whose identity has not been disclosed to the payer in accordance with separate regulations, the payer shall collect withholding tax at a rate of 19% on the total value of income (revenues) transferred by him to all such taxpayers through the holder of the collective account.

Capital gains

Individual income tax payers and corporate income tax payers with limited tax liability in Poland are subject to taxation only on income earned in Poland.

Polish tax regulations include special rules regarding capital gains, if they are reached on any Covered Bonds admitted to public trading in the Republic of Poland on the regulated stock exchange market. In line with Article 3.2b of the PIT Act and Article 3.3 of the CIT Act, as such capital gain may be treated as derived in Poland and, in principle, subject to 19 per cent. income tax in Poland, subject to reliefs available under applicable double tax treaties concluded by Poland.

Most of the double tax treaties concluded by Poland provide for a Polish income tax exemption on capital gains derived from trade in Polish securities including Covered Bonds by a foreign tax resident.

Specific rules will apply if a non-Polish tax resident acts through a permanent establishment in Poland to which income is related.

Tax remitter's obligations

The tax remitters will decide on withholding the tax based on their own analysis. According to the Article 26.1 of the CIT Act, legal persons, organizational units without legal personality, and natural persons who are entrepreneurs who make payments for the reasons listed in Article 21.1 and Article 22.1 are required, as payers, to collect, subject to paragraph 2, 2b, 2d and 2e, on the date of payment, a flat-rate income tax on such payments, taking into account the deductions provided for in Article 22.1a-1e. Pursuant to Article 41 clause 4 of the PIT Act, natural persons conducting business activity, legal persons and their organizational units, as well as organizational units without legal personality, are required to collect a flat-rate income tax on payments (benefits) made or money or monetary values made available to the taxpayer, inter alia, on the grounds specified in Article 30a clause 1 points 1-11 of the PIT Act. In accordance with the Article 75 §1 of the Tax Ordinance Act of 29 August 1997, as amended (the “**Tax Ordinance**”), if a taxpayer doubts whether a tax collected by a tax remitter is due or whether the amount of the collected tax is adequate, he may submit a request to confirm tax overpayment.

In respect to withholding tax, in Poland there is a Pay & Refund mechanism, which generally is applicable if the total amount of payments from related party (within the meaning of Polish transfer pricing regulations) to a single taxpayer, which is not a Polish tax resident, in the relevant tax year (subject to any withholding tax provided for in Polish tax regulations, in particular revenue from interest) exceeds PLN 2 million. In such a case tax remitters will be obliged to

collect withholding tax on the said disbursements on the day they are made, at the standard Polish rates (i.e. 19 per cent. in the case of individuals or 20 per cent. in the case of legal persons) applicable to interest on the surplus over PLN 2 million without the possibility of non-collection of the tax under the relevant double tax treaty, and without taking into account the exemptions or reduced rates as determined under special provisions or double tax treaties. The taxpayer or the tax remitter (if it paid the withholding tax from its own funds and it bore the economic burden of withholding tax) may claim a withholding tax refund. Under special provisions, withholding tax may not be collected by the tax.

Separate, specific rules may apply to interest income on securities held in Polish omnibus accounts (within the meaning of the provisions of the Act on Trading in Financial Instruments dated 29 July 2005). If tax is withheld, a taxpayer who considers tax exemption should be applicable may apply for a refund. In order to receive a refund such taxpayer should contact its tax advisor.

According to Article 26.1m of the CIT Act, where the entities referred to in Article 26.1 of the CIT Act pay receivables from the sources listed in Article 7b.1 (3) to (6) of the CIT Act (including revenues from securities) for the benefit of an entity having its registered office or management in a territory or state listed in regulations issued pursuant to Article 11j.2 (i.e. so called list of states and territories that apply harmful tax competition), they are obliged to collect lump-sum income tax in the amount of 19 per cent. of the amount of the payment made. The provision of paragraph Article 26.1 of the CIT Act should apply accordingly.

Circumstances of the investigation by the technical payer to determine the beneficial owner in accordance with the tax explanations of 3 July 2025, concerning the application of the so-called beneficial owner clause for withholding tax purposes – selected information

On 9 July 2025, the Ministry of Finance published tax explanations dated 3 July 2025, concerning the application of the beneficial owner clause for withholding tax purposes (WHT Explanations). The explanations include, among other things, a description of the circumstances examined by the technical payer in order to verify the beneficial owner condition. In accordance with explanations, in the case of the technical payer, the verification of fulfilment of the beneficial owner condition is also carried out on the basis of an enumerated list of documents.

The concept of technical payer applies only to payments of: (i) interest on securities recorded in securities accounts or omnibus accounts paid to the taxpayers referred to in Article 3 clause 2 of the CIT Act; (ii) income referred to in Article 7b clause 1, 1(a), (b), (e) and (g) of the CIT Act, obtained from securities recorded on securities accounts or on omnibus accounts, subject to the duty of due diligence.

The list of documents includes:

1. for verification of the right to tax preference in respect of an individual:
 - (a) persons not carrying on business activity: tax residence certificate;
 - (b) carrying on a business activity: (i) tax residence certificate; (ii) a statement of the beneficial owner indicating that the recipient certifies the fulfilment of the conditions referred to in Article 5a point 33d of the PIT Act.
2. in other cases in relation to taxpayers subject to the provisions of the CIT Act – for verification of the right to apply the preference resulting from the double tax treaty: (i) tax residence certificate; (ii) statement of the beneficial owner indicating that the recipient certifies compliance with the conditions referred to in Article 4a point 29 of the CIT Act; (iii) documents confirming fulfilment of the condition of capital links (if any).

For the purpose of verifying the statement submitted by the taxpayer referred to above, the technical payer must verify whether, on the basis of: (i) an extract from the commercial register of the recipient of the receivables and (ii) the most recent financial statements together with the auditor's opinion (when such opinion is prepared) - there are no circumstances that contradict the statements made.

In addition, in any case, the lack of the right to apply the exemption or preferential rate on the basis of the Directives or the PSA cannot be supported by the information held by the payer about the respective customer in connection with the Know-Your-Customer procedure.

At the same time, in connection with the current exemption of the application of the pay & refund mechanism within the scope of Article 26 clause 2c of the CIT Act, the information obligations of the issuer (Article 26 clause 2ca) of the CIT Act) and the technical payer (Article 26 clause 2ed of the CIT Act) to provide information on the existence of links and the exceeding of the amount of PLN 2,000,000 and to establish these circumstances, respectively, are also excluded during its validity period.

Solidarity levy on individuals

Pursuant to Article 30h of the PIT Act, individuals (regardless of whether they reside in Poland or not) are required to pay a solidarity levy amounting to 4% of the basis for calculating this tax. The basis for calculating the solidarity levy is the excess of PLN 1,000,000 over the sum of income taxable under the rules set out in Article 27 clauses 1, 9 and 9a (including, as a rule, income from business activities carried out by a natural person, taxed in Poland at progressive rates), Article 30b

(including capital income from the sale of Covered Bonds), Article 30c (including, as a rule, income from business activities carried out by a natural person, taxed in Poland at a so-called flat rate of 19%) and Article 30f (so-called income of a controlled company taxed in Poland), after deduction of the amounts specified in specific provisions.

With regard to natural persons with limited tax liability in Poland, the above regulations and the resulting obligation to pay the solidarity levy should be analyzed, subject to the relief available under the relevant double taxation agreements concluded by Poland. Most of the double taxation agreements concluded by Poland contain regulations which may give rise to exemption from taxation in Poland of capital gains from the sale of Covered Bonds.

Natural persons liable to pay the solidarity levy are required to submit a declaration of the amount of the solidarity levy to the tax authorities, using the template provided, by April 30 of the calendar year and to pay the solidarity levy by that date.

Tax on civil law transactions

Under Article 1 clause 1 point 1) a) of the Tax on Civil Law Transactions Act dated 9 September 2000 (the “PCC Act”), agreements for sale or exchange of assets or proprietary rights are subject to tax on civil law transactions. Such transactions are taxable if their subjects are:

- assets located in Poland or proprietary rights exercisable in Poland;
- assets located abroad or proprietary rights exercisable abroad if the acquirer’s place of residence or registered office is located in Poland and the civil law transaction was carried out in Poland.

As a rule, Covered Bonds issued by a company with its registered office in Poland are considered property rights exercised in Poland and are therefore subject to civil law transaction tax at a rate of 1%, regardless of the place of conclusion of the transaction and the jurisdiction of the parties to the agreement. The tax base is the market value of the item or property right (Article 6 clause 1 point 1 of the PCC Act).

The tax obligation in the case of a sales contract lies with the buyer (in the case of a barter agreement, with both parties to the agreement) and, as a rule, arises at the time of conclusion of the agreement (Article 3 clause 1 point 1 of the PCC Act). Taxpayers are required, without being requested to do so by the tax authority, to submit a declaration on civil law transaction tax and to calculate and pay the tax within 14 days of the date on which the tax liability arises (i.e. from the date of conclusion of the sales contract). If the contract is concluded in the form of a notarial deed, the tax is collected and settled by the notary as the tax remitter.

- (a) Sale of property rights that are financial instruments (including Covered Bonds): to investment firms and foreign investment firms;
- (b) via the intermediary of the investment firms or foreign investment firms;
- (c) in organised trading;
- (d) outside organised trading by investment firms and foreign investment firms, if those rights were acquired by those companies under organised trading;
- (e) state banks conducting brokerage activities;
- (f) carried out through state banks conducting brokerage activities; or
- (g) carried out outside organized trading by state banks conducting brokerage activities, if these rights were acquired by these banks within organized trading.

within the meaning of the provisions of the Act on Trading in Financial Instruments - is exempt from civil law transaction tax (Article 9 point 9 of the PCC Act).

Furthermore, pursuant to Article 1a points 5 and 7 in conjunction with Article 2 point 4 of the PCC Act, sales and exchange agreements concerning Covered Bonds are not subject to civil law transaction tax:

- 1) to the extent that they are subject to VAT in Poland or another EU or EEA Member State; or
- 2) where at least one of the parties to the transaction is exempt from VAT in Poland or another EU or EEA Member State in respect of that transaction.

Liability of the tax remitter

Pursuant to Article 30 of the Tax Ordinance, a tax remitter who has failed to fulfill their obligations to calculate, collect, or pay tax to the tax authority is liable with all their assets for the tax not collected or the tax collected but not paid. The tax authority shall decide on the payer's liability and the amount of tax due for tax not collected or collected but not paid. However, the payer shall not be liable if separate provisions provide otherwise or if the tax was not collected through the fault of the taxpayer. In this case, the tax authority issues an independent decision on the taxpayer's liability or determines it in a decision specifying the amount of the tax liability. Article 30 paragraph 5a of the Tax Ordinance contains an

exhaustive list of exceptions to the above exclusion of the payer's liability, including, inter alia, where the payer and the taxpayer are related entities within the meaning of transfer pricing regulations, or the payer or taxpayer are entities with tax residence, place of registration, registered office or management in a country or territory applying harmful tax competition.

Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Covered Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

Non-resident holders of Covered Bonds

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Covered Bonds, nor on accrued but unpaid interest in respect of the Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Covered Bonds held by non-resident holders of Covered Bonds.

Resident holders of Covered Bonds

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the “**Relibi Law**”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Covered Bonds, nor on accrued but unpaid interest in respect of Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Covered Bonds held by Luxembourg resident holders of Covered Bonds.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Covered Bonds coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

Other

Pursuant to certain provisions of the Code, commonly known as FATCA, a “**foreign financial institution**” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Poland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, such withholding would not apply prior to the date that is two years after the date of publication of final regulations defining “foreign passthru payments” in the U.S. Federal Register, and Covered Bonds characterized as debt for U.S. federal income tax purposes (or which are not otherwise characterized as equity and have a fixed term) issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Covered Bond Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Covered Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Covered Bonds, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Subject to the provisions of the programme agreement dated 30 September 2025 (the “**Programme Agreement**”) between the Bank and Bank Millennium (together with any further financial institution appointed as a dealer under the Programme Agreement, the “**Dealers**”), the Covered Bonds may be sold by the Bank to the Dealers, who shall act as principals in relation to such sales. However, the Bank has reserved the right to issue Covered Bonds directly on its own behalf to subscribers who are not Dealers and who agree to be bound by the restrictions set out below. The Programme Agreement also provides for Covered Bonds to be issued in Tranches which are jointly and severally underwritten by two or more Dealers or such subscribers.

The Bank has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Covered Bonds. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by the Bank or, in relation to itself and the Bank only, by any Dealer, at any time on giving not less than ten business days’ notice.

United States of America

The Covered Bonds have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “**Securities Act**”), or the securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except certain transactions exempt from or not subject to the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered nor sold the Covered Bonds of any identifiable Tranche, and will not offer nor sell the Covered Bonds of any identifiable Tranche (i) as part of their distribution at any time nor (ii) otherwise until 40 days after completion of the distribution of such tranche as determined, and such completion is notified to each relevant Dealer, by the Issuing and Principal Paying Agent or, in the case of a Syndicated Issue, the lead manager, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Accordingly, each Dealer has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Covered Bonds, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has agreed to notify the Issuing and Principal Paying Agent or, in the case of a Syndicated Issue, the lead manager when it has completed the distribution of its portion of the Covered Bonds of any identifiable Tranche so that the Issuing and Principal Paying Agent or, in the case of a Syndicated Issue, the relevant Lead Manager may determine the completion of the distribution of all Covered Bonds of that Tranche and notify the other relevant Dealers (if any) of the end of the restricted period. Each Dealer agrees that, at or prior to confirmation of sale of Covered Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Covered Bonds from it during the restricted period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “**Securities Act**”), or the securities laws of any state or other jurisdiction of the United States, and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of this tranche of Securities as determined, and notified to Relevant Dealer, by the Issuing and Principal Paying Agent/relevant Lead Manager, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used above have the meanings given to them by Regulation S.

Each Dealer has represented and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Covered Bonds within the United States of America, except with its affiliates or with the prior written consent of the Bank.

Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Covered Bonds, other than Covered Bonds with an initial maturity of one year or less, will be issued in accordance with the provisions of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) or substantially identical provisions (the “**D Rules**”), or in accordance with the provisions of U.S. Treasury Regulation Section 1.163-5 (c)(2)(i)(C) or substantially identical provisions (the “**C Rules**”), as specified in the Final Terms.

In addition, in respect of Covered Bonds issued in accordance with the D Rules, each Dealer has represented and agreed that:

- (a) to the extent permitted under the D Rules, (i) it has not offered or sold, and during the restricted period will not offer or sell, Covered Bonds in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Covered Bonds in bearer form that are sold during the restricted period;

- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Covered Bonds in bearer form are aware that such Covered Bonds may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if such Dealer is a United States person, it has represented that it is acquiring the Covered Bonds in bearer form for purposes of resale in connection with their original issuance and if such Dealer retains Covered Bonds in bearer form for its own account, it will do so only in accordance with the requirements of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6) or substantially identical provisions; and
- (d) with respect to each affiliate that acquires Covered Bonds in bearer form from such Dealer for the purpose of offering or selling such Covered Bonds during the restricted period, such Dealer either (i) has repeated and confirmed the representations and agreements contained in sub-clauses (a), (b) and (c) on such affiliate's behalf or (ii) has agreed that it will obtain from such affiliate for the benefit of the Bank the representations and agreements contained in sub-clauses (a), (b) and (c).
- (e) if it enters into a written contract with any distributor (as described in U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D)(4)(ii)) that acquires Covered Bonds in bearer form from it pursuant to such written contract, it will obtain from the distributor, for the benefit of the Bank and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of clauses (i), (ii), (iii), (iv) and (v).

Terms used in the above paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

In addition, where the C Rules are specified in the relevant Final Terms as being applicable to any Tranche of Covered Bonds, Covered Bonds in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, Covered Bonds in bearer form within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of Covered Bonds in bearer form, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such Dealer or purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Covered Bonds in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

Each issuance of index- or currency-linked Covered Bonds shall be subject to such additional U.S. selling restrictions as the relevant Dealer(s) shall agree with the Bank as a term of the issuance and purchase or, as the case may be, subscription of such Covered Bonds. Each Dealer agrees that it shall offer, sell and deliver such Covered Bonds only in compliance with such additional U.S. selling restrictions.

The Bank may agree with one or more Dealers for such Dealers to arrange for the sale of Covered Bonds under procedures and restrictions designed to allow such sales to be exempt from the registration requirements of the Securities Act.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or has in its possession or distributes the Base Prospectus or any other offering material.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Covered Bonds specify the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", 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 Base 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:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of Insurance Distribution Directive, 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 Prospectus Regulation; and
- (b) the expression an "**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 the Covered Bonds.

If the Final Terms in respect of any Covered Bonds specify “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area in which Prospectus Regulation applies (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date from which the Prospectus Regulation entered into force, having a direct applicability in all Member States (the “**Date of Entry into Force**”) it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Bank for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Covered Bonds to the public**” in relation to any Covered Bonds in any Relevant Member State 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 the Covered Bonds.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Covered Bonds specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, 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 Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an “**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.

If the Final Terms in respect of any Covered Bonds specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, 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 made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the UK except that it may make an offer of such Covered Bonds to the public in the UK:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Bank for any such offer; or
- (C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Covered Bonds referred to in (A) to (C) above shall require the Bank or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression “**an offer of Covered Bonds to the public**” in relation to any Covered Bonds means 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; and
- the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Covered Bonds which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Bank;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Bank; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

Italy

The offering of the Covered Bonds has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, save as set out below, it has not offered or sold, and will not offer or sell, any Covered Bonds in the Republic of Italy in an offer to the public, and that sales of the Covered Bonds in the Republic of Italy shall be effected in accordance with all Italian securities and banking regulations, tax and exchange control, and other applicable laws and regulations.

Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell, or deliver, any Covered Bonds, or distribute copies of this Base Prospectus and any other document relating to the Covered Bonds in the Republic of Italy except:

- (a) to “qualified investors” (*investitori qualificati*), as defined in Article 35, paragraph 1(d) of CONSOB Regulation No. 20307 of 15 February 2018, as amended (“**CONSOB Regulation No. 20307**”), pursuant to Article 34-ter, first paragraph, letter b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**CONSOB Regulation No. 11971**”), implementing Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended (the “Italian Financial Services Act”);
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Services Act and its implementing CONSOB Regulations, including Article 34-ter of CONSOB Regulation No. 11971.

Any such offer, sale or delivery of the Covered Bonds, or distribution of copies of this Base Prospectus or any other document relating to the Covered Bonds in the Republic of Italy must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Act, the Legislative Decree No. 385 of 1 September 1993 (the “**Consolidated Banking Act**”), and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;
- (b) in compliance with Article 129 of the Consolidated Banking Act and the implementing regulations issued by the Bank of Italy, all as amended from time to time, pursuant to which the Bank of Italy may request information and impose certain reporting obligations on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority as well as any additional requirements provided under the Consolidated Financial Act and/or the Consolidated Banking Act and related implementing regulations.

Belgium

Other than in respect of Covered Bonds for which “Prohibition of Sales to Belgian Consumers” is specified as “Not Applicable” in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Covered Bonds may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a “**Belgian Consumer**”) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Covered Bonds, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Covered Bonds, directly or indirectly, to any Belgian Consumer.

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Covered Bonds, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required. Each Dealer has represented and agreed that it will comply with all relevant laws and directives in each jurisdiction in which it purchases, offers, sells, or delivers Covered Bonds or has in its possession or distributes the Base Prospectus or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Covered Bonds under the laws and directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, in all cases at its own expense, and neither the Bank nor any other Dealer shall have responsibility thereof.

These selling restrictions may be modified by the agreement of the Bank and the Dealers, *inter alia*, following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Covered Bonds to which it relates or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

No governmental consents, approvals or authorisations in Poland in connection with the issue of the Covered Bonds and the performance by the Bank of its obligations under the Covered Bonds will be required to be complied with.

The establishment of the Programme and the issue of Covered Bonds have been duly authorised by the resolution of the Management Board of the Bank dated 25 September 2025 on establishing the international mortgage covered bonds programme (EMTN). The issuance of each Series of the Covered Bonds will be authorised by a separate resolution of the Management Board of the Bank.

Listing and admission to trading of Covered Bonds

Application will be made to list Covered Bonds issued under the Programme on the Official List of the Luxembourg Stock Exchange and/or the Warsaw Stock Exchange and to admit to trading the Covered Bonds on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and/or on the Regulated Market of the Warsaw Stock Exchange (*Gielda Papierów Wartościowych w Warszawie S.A.*). Each of the Luxembourg Stock Exchange's Regulated Market and the Warsaw Stock Exchange's Regulated Market is a regulated market for the purposes of the MiFID II. The Programme provides that Covered Bonds may be listed on further stock exchanges, as may be agreed between the Bank and the relevant Dealer(s) in relation to each Series, as specified in the relevant Final Terms. Covered Bonds may further be issued under the Programme without being listed on any stock exchange.

Covered Bonds which are unlisted or to be listed or admitted to trading, as the case may be, on another stock exchange or market may be issued under this Programme but only, in the case of Covered Bonds listed or admitted to trading on another stock exchange or market, if the Bank ensures that all laws and regulations are complied with including, among others, any applicable requirements for notifications of competent authorities provided by the Prospectus Regulation.

The applicable Final Terms will state whether or not the relevant Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Documents Available

For a period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available during normal business hours (in the case of (d) below, for inspection only) from the registered office of the Bank and from the specified office of the Paying Agent for the time being in Luxembourg:

- (a) the constitutional documents (with English translations thereof) of the Bank (the English translation of the Bank's Statute is also available at: <https://www.millenniumbh.pl>);
- (b) the reviewed financial statements of the Bank for the first half of the year 2025, dated 30 June 2025 (with English translations), together with the review report prepared in connection therewith (also available also at: <https://www.millenniumbh.pl>);
- (c) the audited financial statements of the Bank for the year ended 31 December 2024 (with English translations), together with the audit report prepared in connection therewith (available also at: <https://www.millenniumbh.pl>);
- (d) the audited financial statements of the Bank for the year ended 31 December 2023 (with English translations), together with the audit report prepared in connection therewith (available also at: <https://www.millenniumbh.pl>);
- (e) a copy of this Base Prospectus (available also at: <https://www.millenniumbh.pl>);
- (f) any future base prospectuses, offering circulars, prospectuses, information memoranda, supplements and Final Terms (save that the Final Terms relating to a Covered Bond which is neither admitted for trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a Holder of such Covered Bond and such Holder must produce evidence satisfactory to the Bank and the Paying Agent as to its holding of Covered Bonds and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference (available also at: <https://www.millenniumbh.pl>);
- (g) in the case of each issue of Covered Bonds listed on an EEA Stock Exchange and subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document);
- (h) the Green Bond Framework (available also at: https://www.bankmillennium.pl/documents/d/guest/bank_millennium_group_green_bond_framework_21-08-2024); and

- (i) the Second-Party Opinion concerning the Green Bond Framework (available also at: https://www.bankmillennium.pl/documents/d/guest/bank_millennium_group_green_bond_framework_second_party_opinion_02_09_2024).

The Second-Party Opinion was issued by Sustainalytics on 2 September 2024. The Second-Party Opinion confirms that the Bank's Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021, i.e., use of proceeds, project evaluation and selection, management of proceeds and reporting. The scope of services rendered by Sustainalytics was customary for entities issuing such opinion in relation to Green Bond Framework.

The Base Prospectus and the documents incorporated by reference in the Base Prospectus will remain publicly available in electronic form for as long the Covered Bonds issued under this Base Prospectus are outstanding, or for 10 years following the approval of this Base Prospectus, whichever falls later, on the relevant website indicated under "Documents incorporated by reference."

For the avoidance of doubt, the content on the websites available via hyperlinks included in this Base Prospectus does not form a part of this Base Prospectus and has not been scrutinized or approved by the CSSF, except where that information has been incorporated by reference into this Base Prospectus.

Clearing Systems

The Covered Bonds other than the PLN Covered Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code, the International Securities Identification Number (ISIN) and the alphabetical code of each Series of Covered Bonds will be set out in the relevant Final Terms.

If the Covered Bonds other than the PLN Covered Bonds are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

The PLN Covered Bonds will be cleared through the NDS in the manner described in the section '*Form of the Covered Bonds – The PLN Covered Bonds.*'

Conditions for determining price

The price and amount of Covered Bonds to be issued under the Programme will be determined by the Bank and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no material adverse change in the prospects of the Bank since 31 December 2024 and there has been no significant change in the financial position and financial performance of the Bank since 30 June 2025.

Litigation

The Bank is not and has not been involved in any governmental, legal or arbitration proceedings relating to claims or amounts that are material in the context of the issue of the Covered Bonds (including any such proceedings which are pending or threatened of which the Bank is aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Bank.

Auditors

The Bank's financial statements for the six months ended 30 June 2025, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, were audited by Edyta Kalińska, a certified auditor registered under No. 10336 in the register held by the National Council of Statutory Auditors, acting on behalf of BDO spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw, an entity entered on the list of audit firms held by the Polish Agency for Audit Oversight under no. 3355. BDO spółka z ograniczoną odpowiedzialnością sp.k. issued an unqualified audit report on these financial statements of the Bank. The Bank's financial statements for the financial year ended 31 December 2024, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, were audited by Michał Tomczyk, a certified auditor registered under No. 13503 in the register held by the National Council of Statutory Auditors, acting on behalf of BDO spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw, an entity entered on the list of audit firms held by the Polish Agency for Audit Oversight under no. 3355. BDO spółka z ograniczoną odpowiedzialnością sp.k. issued an unqualified audit report on these financial statements of the Bank. The Bank's financial statements for the financial year ended 31 December 2023, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, were audited by Michał Tomczyk, a certified auditor registered under No. 13503 in the register held by the National Council of Statutory Auditors, acting on behalf of BDO spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw, an entity entered on the list of audit firms held by the Polish Agency for Audit Oversight under no. 3355. BDO spółka z ograniczoną

odpowiedzialnością sp.k. issued an unqualified audit report on such financial statements of the Bank. BDO spółka z ograniczoną odpowiedzialnością sp.k. will also conduct the audit of the Bank's financial statements for 2025 and 2026.

The Group's financial statements for the financial years ending 31 December 2025 and 31 December 2026 will be audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k., with its registered office in Warsaw, ul. Inflancka 4A, 00-189 Warsaw.

Yield

In relation to any Tranche of Fixed Rate Covered Bonds, an indication of the yield in respect of such Covered Bonds will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Covered Bonds on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Covered Bonds and will not be an indication of future yield.

Arranger and/or Dealers transacting with the Bank

The Arranger, certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Bank and its affiliates in the ordinary course of business. Except as discussed in the relevant Final Terms, the Arranger, certain Dealers and their affiliates may be customers of, and borrowers from the Bank and its affiliates. In addition, the Arranger, certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Bank and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Arranger, certain Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Bank or the Bank's affiliates. The Arranger, certain Dealers or their affiliates that have a lending relationship with the Bank routinely hedge their credit exposure to the Bank consistent with their customary risk management policies. Typically, the Arranger, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of Covered Bonds issued under the Programme. The Arranger, the Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Post-issuance information

In connection with the issuance of mortgage covered bonds by the Bank, the Bank publishes regular information detailing the Bank's issuances of the mortgage covered bonds on its website: <https://www.millenniumbh.pl>.

BANK

Millennium Bank Hipoteczny S.A.
ul. Stanisława Żaryna 2A
02-593 Warsaw
Poland

ARRANGER, CALCULATION AGENT AND POLISH ISSUE AGENT (*AGENT EMISJI*)

Bank Millennium S.A.
ul. Stanisława Żaryna 2A
02-593 Warsaw
Poland

DEALER

Bank Millennium – Biuro Maklerskie Banku Millennium S.A.
ul. Stanisława Żaryna 2A
02-593 Warsaw
Poland

**ISSUING AND PRINCIPAL PAYING AGENT, CALCULATION AGENT
AND LUXEMBOURG LISTING AGENT WITH REGARD TO THE COVERED BONDS
OTHER THAN THE PLN COVERED BONDS**

Banque Internationale à Luxembourg SA
69 route d'Esch; L – 2953 Luxembourg
L - 2953 Luxembourg
The Grand Duchy of Luxembourg

LEGAL ADVISERS TO THE BANK

as to Polish law

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- Kancelaria Prawna sp.k.
al. Jana Pawła II 22
00-133 Warsaw
Poland

as to English law

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