

mBank S.A. Green Bond Allocation and Impact Report

29 December 2023

mBank

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Eligible Assets Portfolio

	Number of contracts	Amount ¹		Annual energy savings ² (MWh/year)	Annual CO ₂ emissions avoidance ³ (tCO ₂ /year)
		in mn PLN	in mn EUR ⁴		
Green buildings (total)	25 845	10 877	2 502	427 409	115 733
Single-family	11 146	5 248	1 207	264 286	71 563
Multi-family	14 699	5 629	1 295	163 123	44 170
	Number of contracts	Amount ¹		Energy Production ⁵ (MWh/year)	Annual CO ₂ emissions avoidance ⁶ (tCO ₂ /year)
		in mn PLN	in mn EUR ⁴		
Renewable energy projects (total)	40	1 791	412	1 727 970	1 183 660
Wind Farms	14	812	187	1 010 623	692 277
Photovoltaics	26	979	225	717 347	491 383
Eligible Assets (total)	25 885	12 668	2 914	—	1 299 393

Outstanding Green Bonds

ISIN	Issue date	Maturity date	Principal in mn EUR	Use of Proceeds in mn EUR
XS2388876232	20.09.2021	21.09.2027	500	498.625
XS2680046021	11.09.2023	11.09.2027	750	748.125
			1 250	1 246.75 / eq. 5 421 PLN

Percentage of Eligible Assets Portfolio Allocated (usage)	41.2%
Percentage of Net Proceeds from Green Bonds allocated to Eligible Assets Portfolio	96.2%
Unallocated Eligible Assets (in mn EUR), out of that:	1 703
▪ Green buildings	1 398
▪ Renewable energy projects	232
▪ Scheduled loan tranches from partly allocated contracts	73
Total amount of Net Proceeds allocated to Eligible Assets (in mn EUR)	1 200
Percentage of Net Proceeds used to refinancing of Eligible Assets	85.0%
Percentage of Net Proceeds used for new financing	11.2%

1 Total Outstanding amount of loans that have been identified as Eligible Assets in accordance with the mBank S.A. Group Green Bond Framework.

2 Energy savings calculated using weighted reference benchmarks for Poland's national residential building stock: 272.8 kWh/m²/year for primary energy demand.













3 Annual CO₂ emissions avoidance determined by multiplying the energy savings with Poland's national residential mean carbon emissions intensity at 0.359 kgCO₂/kWh. Data sources and methodology of calculation are available upon request.

4 EUR equivalent amount (NBP Exchange rate as of 29 December 2023; EUR 1 = PLN 4.3480)

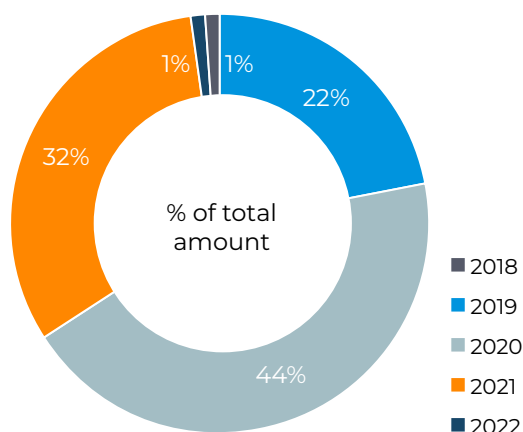
5 Energy production for projects fully operational during 2023 is based on the amount of energy actually fed into the energy grid. Energy production for projects in construction during 2023 is based on expected production, assuming production efficiency for wind farms at 2500 per 1 MW and for photovoltaics – 1000 per 1 MW.

6 Calculation of CO₂ avoidance is based on the emission factor for electricity produced from fuel combustion plants (including electricity supplied to the grid from renewable energy sources and including losses and balancing differences, i.e. at the end users) at 685 kg/MWh, as published by KOBIZE for 2022.

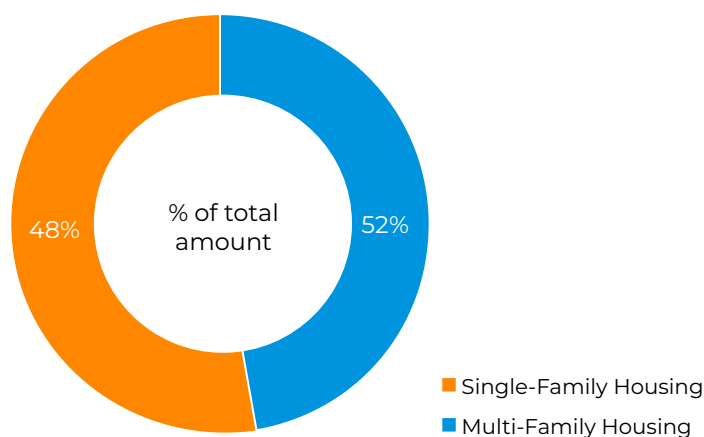
Overview of Allocated Assets for mBank's Green Bond Series 11

	Total amount:	2 218 mn PLN
	Unallocated amount:	0 mn PLN
	Number of contracts:	6 144
	Changes in allocation:	during the course of 2023, the changes to the Allocated Assets for Bank's Green Bond Series 11 refer to exclusion of the loans in default and repaid loans, which were automatically excluded from Eligible Assets Portfolio, and inclusion of new loans, fulfilling the Eligibility Criteria, taking into account the exchange rate at the allocation date
	Year of allocation:	100% allocation achieved in 2021. Subsequent additions to the portfolio were made in 2022 and 2023 to replenish matured and defaulted loans.
	Type of projects:	100% of green buildings, out of that: (i) 66% multi-family-housing and (ii) 34% single-family-housing
	Selection criteria:	Residential buildings meeting Low Carbon Trajectory requirements for Primary Energy Demand, within the top 15% of Polish market, qualified by year of construction (TC2017/2021). The allocated portfolio received the Post-Issuance certificate from Climate Bonds Initiative.
	Location:	Poland
	Status of projects:	100% refinancing (projects in operation)
	Look-back period:	First disbursement of loan no more than 3Y before the issue date of the green bond
	Annual energy savings:	88 134 ⁷ MWh/year
	Annual CO₂ emissions avoidance:	23 865 ⁸ tCO ₂ /year

Distribution of allocated assets by year of first disbursement















Carbon emission savings by type of building



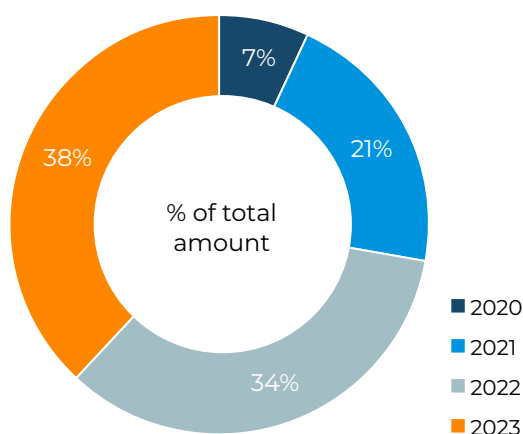
7 Annual energy savings were recalculated with weighted reference benchmarks updated versus previous year. Please see the footnote 2 above.

8 Annual CO₂ emissions were recalculated with weighted reference benchmark updated versus previous year. Please see the footnote 3 above.

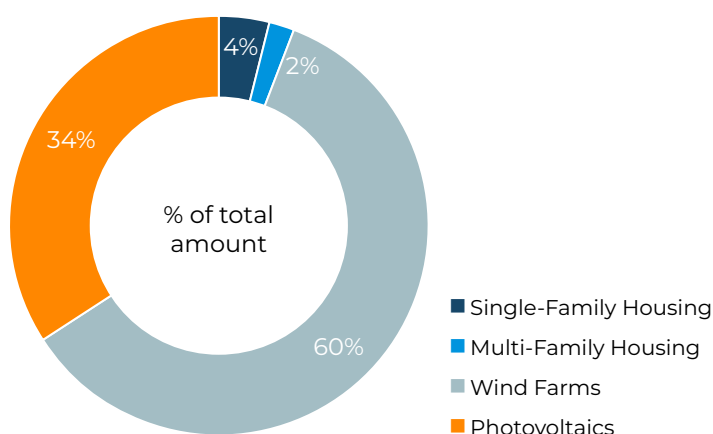
Overview of Allocated Assets for mBank's Green Bond Series 12

	Total allocation amount:	3 048 mn PLN
	Unallocated amount:	205 mn PLN (6% of net proceeds)
	Number of contracts:	5 196, out of that: (i) 5 182 contracts financing green buildings, (ii) 14 contracts financing renewable energy projects
	Year of allocation:	2023 and 2024 (in progress)
	Type of projects:	75% of allocation amount (71% of net proceeds) is used to finance green buildings, out of that: (i) 51% multi-family-housing and (ii) 49% single-family-housing; 25% of allocation amount (23% of net proceeds) finances renewable energy projects, out of that: (i) 47% wind farms and (ii) 53% photovoltaics
	Selection criteria:	Residential buildings meeting Low Carbon Trajectory requirements for Primary Energy Demand, within the top 15% of Polish market, qualified by year of construction (TC2017/2021). Renewable energy projects are automatically eligible under Climate Bonds Initiative Sector Criteria. The eligible assets portfolio received the Pre-Issuance certificate from Climate Bonds Initiative.
	Location:	Poland
	Status of projects:	80% of allocation amount is refinancing (projects in operation), 20% was used for new financing (disbursement of funds was performed after the issue date of the green bond). All unallocated funds, as well as proceeds from repaid loans will be systematically allocated only to new financing until it reaches the level of 25%.
	Look-back period:	First disbursement of loan no more than 3Y before the issue date of the green bond
	Annual energy savings (green buildings):	97 802 MWh/year
	Energy Production (renewable energy projects):	641 875 MWh/year
	Annual CO₂ emissions avoidance (total from green buildings and renewable energy projects):	439 684 tCO ₂ /year

Distribution of allocated assets by year of first disbursement



Carbon emission savings by type of asset



Additional information on unallocated Eligible Assets Portfolio

Green buildings

Criteria based on energy standard ⁹	Number of contracts	Total exposure in mn PLN	Total exposure in mn EUR	% of Unallocated portfolio
TC 2017, Multi-family housing	5 900	2 113	486	30%
TC 2017, Single-family housing	5 853	2 732	628	38%
TC 2021, Multi-family housing	1 803	756	174	11%
TC 2021, Single-family housing	963	476	109	7%
Total of green buildings	14 519	6 077	1 397	86%

Renewable energy projects

Type of project	Number of contracts	Total exposure in mn PLN	Total exposure in mn EUR	% of Unallocated portfolio
Wind farms	7	459	106	6%
Photovoltaics	19	549	126	8%
Total of renewable energy projects	26	1 008	232	14%
Total of Eligible Assets Portfolio	14 545	7 085	1 629	100%

⁹ The determination of the energy standard for a financed building requires the date of the application for building permit. Due to the fact, that mBank does not collect this information and it is not publicly available, the technical conditions used for a financed estate were determined based on the year of construction estimated as the year of the occupancy permit minus the average construction period, that is 2 years for flats and 3 years for developed land.



mBank S.A.

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