

mBank as a partner of the Residential Developers' industry

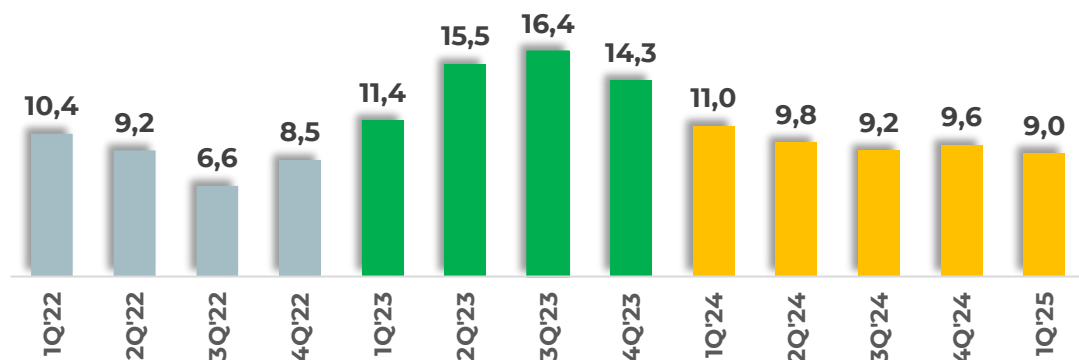
Financial expertise and tailored banking solutions



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Our approach to Residential Developers' portfolio – based on sector insights and emerging trends

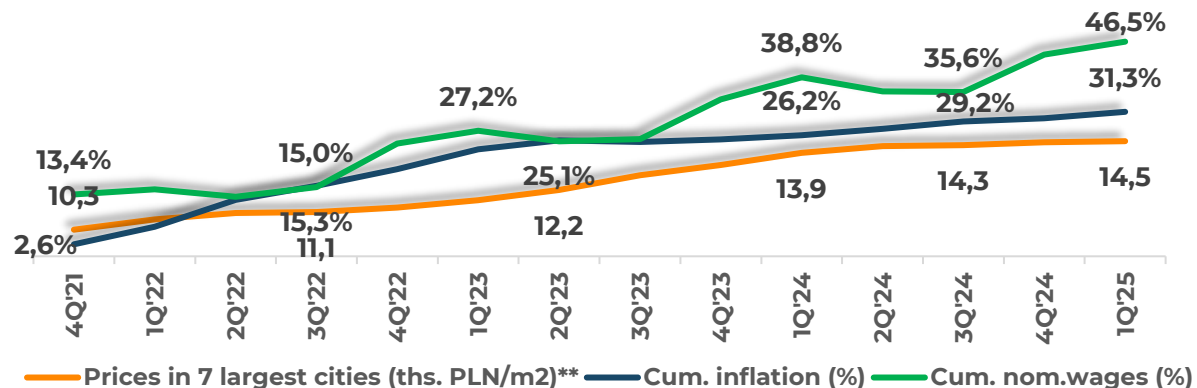
Sales of apartments in 6 largest markets* (k units)



* Warsaw, Krakow, Tricity, Wrocław, Poznan, Lodz

Source: JLL

Cumulative inflation and nominal wages (3Q'21 = 100)



** Warsaw, Krakow, Gdansk, Gdynia, Wrocław, Poznan, Lodz

Source: otodom analytics: offer prices, GUS

1Q of 2025 in line with previous quarters

Apartment sales in 2024 were affected by:

- high interest rates,
- the expiration of the government's loan subsidy program,
- postponed purchasing decisions by clients anticipating the launch of a new subsidy program.

A significant increase in sales is possible after reduction in interest rates.

Prices stabilization

Since mid-2024, prices have largely stabilized, though they have not declined — **developers are predominantly offering non-price incentives to stimulate sales.**

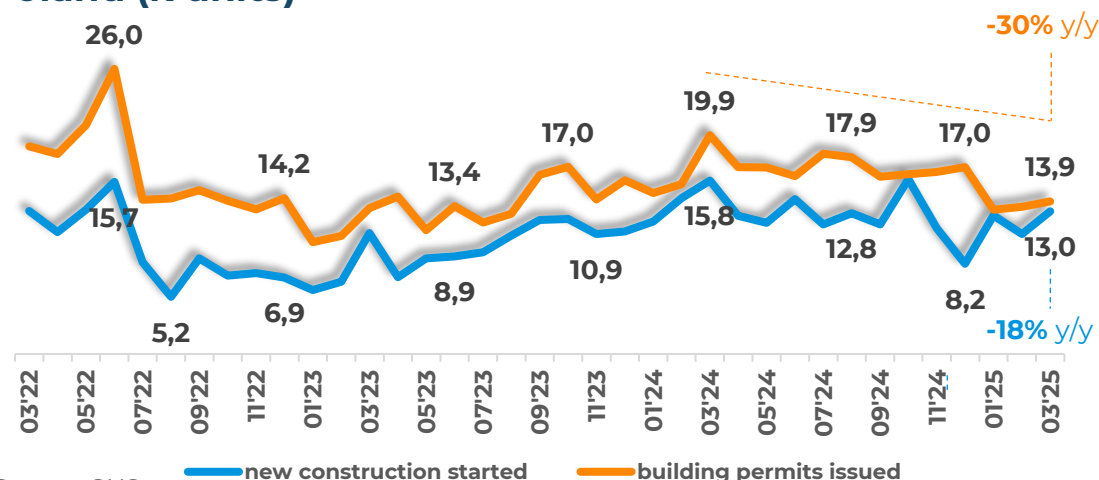
Apartment prices increased in 2022 and 2023, driven by:

- elevated inflation levels,
- the implementation of government loan subsidy program.

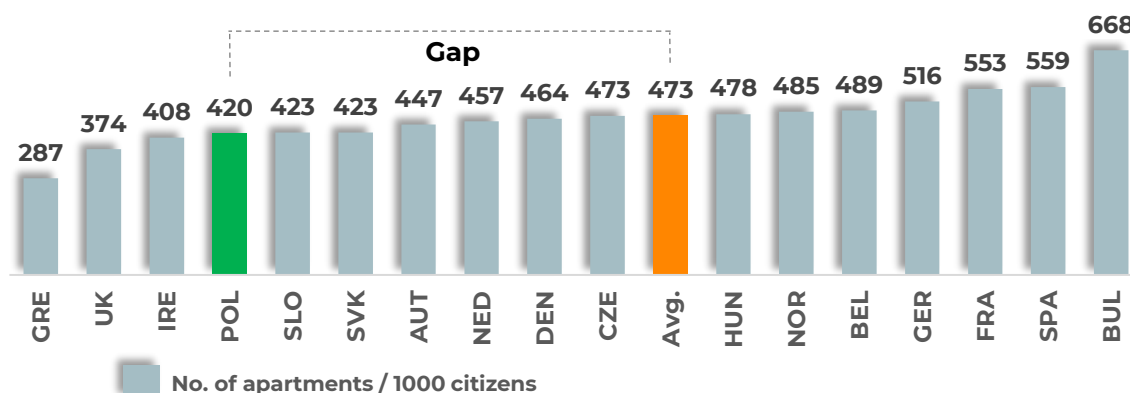
However, during the same period, buyers' purchasing power also grew rapidly.

In the medium term, the market is supported by favorable macroeconomic forecasts and structural housing gap in Poland

Building permits issued and new construction started in Poland (k units)



Housing stock per 1000 citizen in Europe



Adjustment of supply

The observed slight decline reflects a market adjustment, with supply responding to reduced demand for apartments in 2024.

Previously, the increase in the number of new projects was driven by:

- strong sales performance in the second half of 2023,
- the need to rebuild a very limited housing supply,
- improved economic conditions (declining inflation and rising real wages).

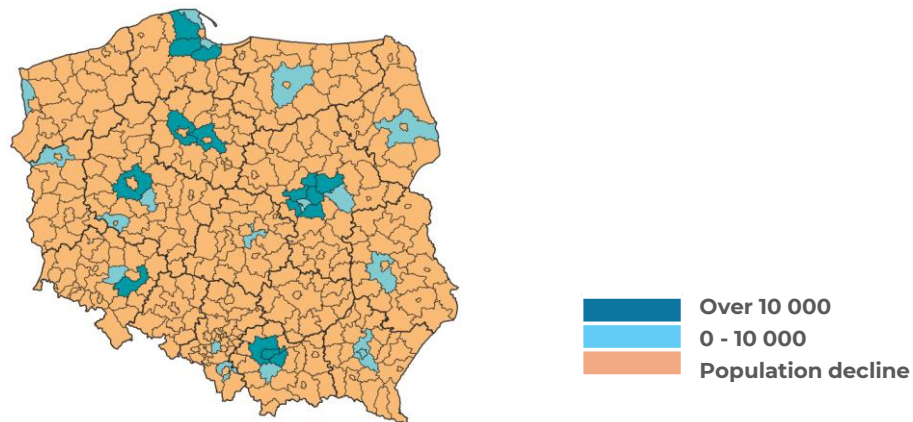
Still significant housing gap in Poland compared to other EU countries

In the medium and long term, the market is supported by:

- housing gap in Poland estimated at 700,000 apartments (with approx. 9-11K apartments being completed per month),
- migration of people to large cities,
- Polish society's attachment to apartment ownership (the share of rented apartments does not increase significantly),
- lack of social housing.

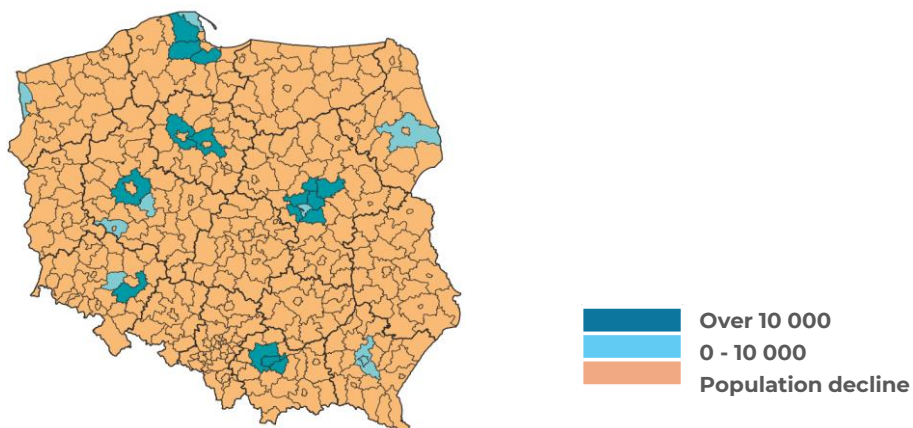
Mortgage Loan Market Outlook 2025: Key Trends, Growth Drivers and Market Projections

Population growth by 2040 by counties



Source: GUS

Population growth by 2060 by counties



Source: GUS

Mortgage Loan Market Outlook:

Key Drivers:

- GDP growth driven by stable consumer spending and increasing investment.
- Inflation decrease enabling the start of a monetary policy easing cycle and interest rate cuts.
- Potential new government support program.

Market Size Estimates:

- In conservative scenario – assuming no interest rate cuts and no implementation of a government support program – the mortgage loan market was projected to reach PLN 88.2b in 2025 (based on BIK data).
- The value of mortgage loan inquiries in May'25 increased by 46.4% YoY, signaling a rebound in consumer interest.
- **Our current estimation for the mortgage loan market size in 2025 (reflecting recent trends) stands at approx. PLN 100b (+17% YoY).**

mBank's loan portfolio of Residential Developers has solid quality and good repayment profile with stable outlook

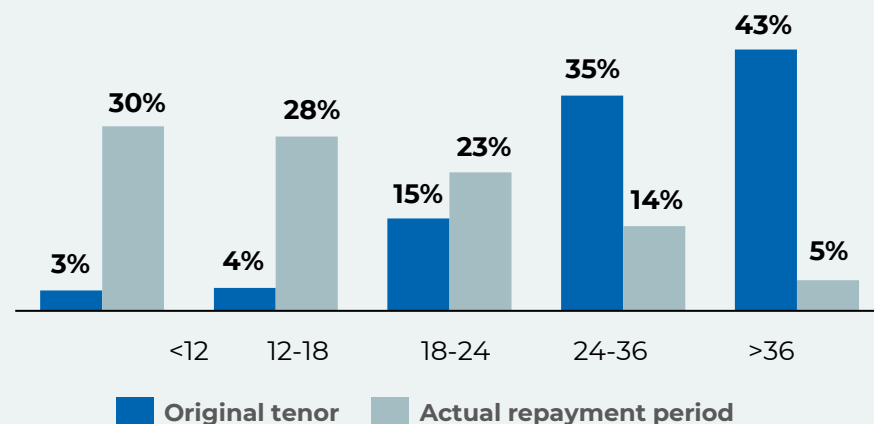
Residential Developers' portfolio:

- One of the key exposures in the mBank's corporate loan portfolio.
- Managed within the approved limit.
- Structured through on-balance sheet (Corporate Finance) and SPV-based financing (Project Finance).
- High-quality risk profile compared to competitors thanks to dedicated risk policy.

Key policy parameters:

- Credit assessment carried out by a specialized unit at the mBank's headquarters.
- The risk classified within three main categories: standard, elevated, excluded.
- Growth focused on preferred locations and partnerships with experienced developers.
- Strong portfolio quality and repayment performance.

Tenor and repayment distribution (in months)



Source: mBank, data as of 31.03.2025

Main conclusions based on tenor and repayment distribution as well as level of on-balance exposure:

- The actual repayment period of loans much shorter than the contractual period.
- The average repayment period amounting to 52% of the contractual tenor.
- 81% of loans repaid in less than 24 months.
- Warning signal: **utilization of granted financing (currently on the stable level; approx. 40%).**



Thank you for your attention