



mFINANCE FRANCE S.A.

(incorporated as a société anonyme in the Republic of France)

€3,000,000,000

**Euro Medium Term Note Programme
unconditionally and irrevocably guaranteed by
mBank S.A.**

(incorporated as a joint stock company in the Republic of Poland)

This supplement (the **Supplement**) constitutes a first supplement to the Base Prospectus dated 8 March 2017 (the **Base Prospectus**) and must be read in conjunction with the Base Prospectus prepared by mFinance France S.A. (the **Issuer**) and mBank S.A. (the **Guarantor**) with respect to this €3,000,000,000 Euro Medium Term Note Programme (the **Programme**). All capitalised terms used but not defined herein shall have the meaning ascribed to such term in the Base Prospectus.

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

Purpose of the Supplement

The purpose of this Supplement is to: (a) incorporate by reference the Guarantor's IFRS Unaudited Condensed Consolidated Financial Statements for the three month period ended 31 March 2017 (the **Group IFRS Condensed Consolidated Financial Statements**); (b) to update selected financial information in order to include the Group IFRS Condensed Consolidated Financial Statements; (c) to update information on the Group's key financial ratios; and (d) to amend the information relating to the credit ratings of the Guarantor following rating action by S&P Global Ratings (**S&P**).

Documents incorporated by Reference

The Guarantor published the Group IFRS Condensed Consolidated Financial Statements on 27 April 2017. A copy of the Group IFRS Condensed Consolidated Financial Statements has been filed with the CSSF and, by virtue of this Supplement, the Group IFRS Condensed Consolidated Financial Statements are incorporated by reference in, and form part of, the Base Prospectus, including the following pages in particular:

Sections	Pages
Selected financial data	pages 4-5
Condensed consolidated income statement	page 25
Condensed consolidated statement of comprehensive income	page 26
Condensed consolidated statement of financial position	page 27
Condensed consolidated statement of changes in equity	page 28
Condensed consolidated statement of cash flows	page 29
Explanatory notes to the condensed consolidated financial statements	pages 35-83
Selected explanatory information	pages 84-94

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Prospectus Regulation.

A copy of the document incorporated by reference in this Supplement can be obtained on the website of the Guarantor (<http://www.mbank.pl/en/investors-reports/financial-results/>). The Supplement and the document incorporated by reference will also be available from the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>).

General Information

There has been no significant change in the financial position of the Guarantor and the Group since 31 March 2017 and there has been no material adverse change in the prospects of the Guarantor and the Group since 31 December 2016.

Summary of the Programme

The Group IFRS Condensed Consolidated Financial Statements published on 27 April 2017 update selected financial information on pages 16-18 of the summary of the Base Prospectus under the heading "Selected historical key financial information of the Group" in Element B.19/B.12, which is hereby replaced with the following:

**B.19/B
.12**

Selected historical key financial information of the Group:

Consolidated Income Statements

The table below sets out summary information extracted from the Group's consolidated income statements for the first quarter ended 31 March 2017 (01.01.2017-31.03.2017), for the first quarter ended 31 March 2016 (01.01.2016 - 31.03.2016) as well as for each of the two years ended 31 December 2016 and 31 December 2015:

		For the year ended 31 December		For the year ended 31 December
	Q1 2017	2016	Q1 2016	2015
<i>PLN thousands</i>				
	<i>unaudited</i>	<i>audited</i>	<i>unaudited</i>	<i>audited</i>
Net interest income	749,007	2,832,843	676,418	2,511,373
Net fee and commission income	249,554	906,445	211,745	897,176
Trading and other income*	83,217	556,066	120,740	684,774
Total income**	1,081,778	4,295,354	1,008,903	4,093,323
Overhead costs and Amortisation	(577,691)	(1,963,284)	(480,772)	(2,050,596)
Net impairment losses on loans and advances	(82,921)	(365,394)	(68,520)	(421,222)
Operating profit	421,166	1,966,676	459,611	1,621,505
Taxes on the Group balance sheet items	(91,305)	(328,939)	(57,302)	(3,650)
Profit before income tax	329,861	1,637,737	402,309	1,617,855
Net profit	218,924	1,222,224	309,505	1,304,128
Net profit attributable to:				
Owners of mBank S.A.	218,778	1,219,282	307,782	1,301,246
Non-controlling interests	146	2,942	1,723	2,882

Source: Consolidated Financial Statements

* incl. Dividend income, Net trading income, Gains less losses from investment securities, investments in subsidiaries and associates, the share in the profits (losses) of joint ventures and Other operating income less Other operating expenses.

** Defined as a sum of Net interest income, Net fee and commission income and Trading and other income

Following the entry into force of the Polish Banking Tax on 1 February 2016, the Group changed the presentation of selected items in its consolidated income statement. The comparative data was also adjusted to reflect the changes in presentation introduced in 2016. The tax paid by the Guarantor's branch in Slovakia in 2015 of PLN 3,650,000, is presented within "Taxes on the Group balance sheet items" (previously within "Overhead costs").

This change had no impact on the net income and equity of the Group. Financial information in this Base Prospectus is provided on this revised presentation basis.

The effect of the changes in presentation of comparative data in the Group IFRS Condensed Consolidated Financial Statements is summarised below.

	Year ended 31.12.2015 before adjustments	Presentation adjustments	Year ended 31.12.2015 after adjustments
	<i>(PLN thousands)</i>		
Overhead costs	(1,854,596)	3,650	(1,850,946)
Taxes on the Group balance sheet items	-	(3,650)	(3,650)
Net profit	1,304,128	-	1,304,128

Consolidated Statements of Financial Position

The table below sets out summary information extracted from the Group's consolidated statements of financial position as at 31 March 2017 and 31 March 2016 and as at 31 December 2016 and 31 December 2015:

	31 March 2017	31 December 2016	31 March 2016	31 December 2015
	<i>PLN thousands</i>			
	<i>unaudited</i>	<i>audited</i>	<i>unaudited</i>	<i>audited</i>
ASSETS				
Cash and balances with the Central Bank	7,139,929	9,164,281	4,042,760	5,938,133
Loans and advances to banks	1,976,859	3,082,855	1,120,253	1,897,334
Trading securities	3,538,122	3,800,634	2,849,810	557,541
Derivative financial instruments	1,680,769	1,808,847	2,799,170	3,349,328
Loans and advances to customers	81,697,942	81,763,277	77,940,778	78,433,546
Investment securities	31,689,903	31,393,352	31,618,471	30,736,949
Other assets*	2,764,857	2,730,256	2,897,138	2,610,190
Total assets	130,488,381	133,743,502	123,268,380	123,523,021
LIABILITIES & EQUITY				
Amounts due to other banks	8,767,283	8,486,753	10,972,444	12,019,331
Derivative financial instruments	1,557,117	1,599,266	2,355,838	3,173,638
Amounts due to customers	88,744,037	91,417,962	81,133,851	81,140,866
Debt securities in issue	13,260,781	12,660,389	9,697,975	8,946,195
Subordinated liabilities	2,250,473	3,943,349	3,801,673	3,827,315
Other liabilities**	2,570,406	2,584,622	2,679,202	2,140,712
Total liabilities	117,150,097	120,692,341	110,640,983	111,248,057
Total equity	13,338,284	13,051,161	12,627,397	12,274,964
Total liabilities and equity	130,488,381	133,743,502	123,268,380	123,523,021

<p>Source: Consolidated Financial Statements</p> <p>* includes Hedge accounting adjustments related to fair value of hedged items, Investments in joint ventures, Intangible assets, Tangible assets, Current income tax assets, Deferred income tax assets, Other assets and Non-current assets held for sale</p> <p>**includes: Amounts due to the Central Bank, Hedge accounting adjustments related to fair value of hedged items, Other liabilities, Current income tax liabilities, Deferred income tax liabilities, Provisions and Liabilities held for sale</p> <p>Statements of no significant or material adverse change</p> <p>There has been no significant change in the financial position of the Guarantor and the Group since 31 March 2017 and there has been no material adverse change in the prospects of the Guarantor and the Group since 31 December 2016.</p>
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Capital Adequacy and Key Financial Ratios

The Group IFRS Condensed Consolidated Financial Statements update “Capital Adequacy” and “Key Financial Ratios” on pages 148-149 and 149-150 of the Base Prospectus included in the section “Selected Financial Information of the Issuer and Overview of the Group’s Financial Condition”.

Capital Adequacy

The table on page 149 presenting capital ratios of the Group shall be deleted in its entirety and replaced with the following table:

	31 March		31 December	
	2017	2016	2016	2015
	<i>(unaudited)</i>		<i>(audited)</i>	
	<i>(per cent.)</i>		<i>(per cent.)</i>	
Total capital ratio/capital adequacy ratio	21.59	19.01	20.29	17.25
Common Equity Tier 1 capital ratio/Core Tier 1 ratio	18.76	16.20	17.32	14.29

Key Financial Ratios

The table on pages 149-150 presenting selected financial ratios for the Group shall be deleted in its entirety and replaced with the following table:

	As at and for the first quarter ended 31 March		As at and for the year ended 31 December	
	2017	2016	2016	2015
	<i>(unaudited)</i>			
	<i>(per cent.)</i>			
ROE gross ¹	10.3	13.2	13.6	14.7
ROE net ²	6.8	10.1	10.1	11.8
ROA net ³	0.7	1.0	1.0	1.0
Cost to income ratio (C/I) ⁴	53.4	47.7	45.7	50.1
Net interest margin (NIM) ⁵	2.4	2.3	2.3	2.1
Non-performing loans ratio ⁶	5.2	5.8	5.4	5.7
NPL Coverage ratio ⁷	59.4	58.6	57.1	58.9
Cost of risk ⁸	0.41	0.35	0.46	0.54

Loan to deposit ratio ⁹	92.1	96.1	89.4	96.7
Equity to assets ¹⁰	10.2	10.2	9.8	9.9
Securities to assets ¹¹	27.0	28.0	26.3	25.3
TREA to assets ¹²	49.5	56.1	48.8	56.2

Source: The Bank

¹ Calculated by dividing profit/(loss) before income tax by the average equity attributable to Owners of the Bank net of the year's results. The average equity is calculated on the basis of the balances as at the end of each month.

² Calculated by dividing net profit/(loss) attributable to Owners of the Bank by the average equity attributable to Owners of the Bank net of the year's results. The average equity is calculated on the basis of the balances as at the end of each month.

³ Calculated by dividing net profit attributable to Owners of the Bank by the average total assets. The average total assets are calculated on the basis of the balances as at the end of each month.

⁴ Calculated by dividing overhead costs and amortisation by total income comprising: net interest income, net fee and commission income, dividend income, net trading income, gains less losses from investment securities, investments in subsidiaries and associates, the share in the profits (losses) of joint ventures, other operating income and other operating expenses.

⁵ Calculated by dividing net interest income by average interest earning assets. Interest earning assets are a sum of cash and balances with the Central Bank, loans and advances to banks, trading securities, loans and advances to customers (net) and investment securities. The average interest earning assets are calculated on the basis of the balances as at the end of each month.

⁶ Calculated by dividing the gross carrying value of loans and advances to customers with recognised impairment by the total (gross) loans and advances to customers.

⁷ Calculated by dividing provisions for receivables with impairment by the gross carrying value of loans and advances to customers with recognised impairment.

⁸ Calculated by dividing net impairment losses on loans and advances by the average net loans and advances to customers. The average net loans and advances are calculated on the basis of the balances as at the beginning of the year and at the end of each quarter.

⁹ Calculated by dividing net loans and advances to customers by amounts due to customers.

¹⁰ Calculated by dividing total equity by total assets.

¹¹ Calculated by dividing trading securities and investment securities by total assets.

¹² Calculated by dividing the Total Risk Exposure Amount by total assets.

Credit ratings

Rating information included in the element B.19/B.17 of the Summary of the Base Prospectus on pages 19 - 20 of the Base Prospectus shall be deleted in its entirety and replaced with the following wording:

B.19/B.17	Credit ratings	The Guarantor has been assigned the following ratings: <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> Fitch Polska S.A. </div> <div style="text-align: center;"> Standard & Poor's Credit Market Services </div> </div>
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			Europe Limited
		Long-term rating of deposits/liabilities	BBB
		Short-term rating of deposits/liabilities	F2
		Support rating	2
		Viability rating	bbb-
		Outlook of long-term rating	stable
			BBB+
			A-2
			–
			–
			negative
		<p><i>Source: Fitch Polska S.A., S&P Global Ratings</i></p> <p>Standard & Poor's Credit Market Services Europe Limited (S&P Global Ratings or S&P) has assigned the long-term credit rating BBB+ (negative outlook). Pursuant to S&P's rating definitions, the assigned credit rating of the Bank means the "obligor...has adequate capacity to meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments". An S&P Global Ratings outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). Negative means that a rating may be lowered.</p> <p>S&P Global Ratings has assigned a short-term credit rating A-2. Pursuant to S&P's rating definitions, the assigned short-term credit rating of the Bank means the "obligor... has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category."</p> <p>Fitch Polska S.A. (Fitch) has assigned the long-term credit rating BBB (stable outlook). Pursuant to Fitch's rating definitions, BBB denotes expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. Stable outlook indicates that the credit rating is likely to be stable over a one- to two-year period.</p> <p>Fitch has assigned a short-term credit rating F2. Pursuant to Fitch's rating definitions, the assigned short-term credit rating of the Bank denotes good short-term credit quality. The intrinsic capacity for timely payment of financial commitments is good.</p> <p>Fitch Polska and Standard & Poor's Credit Market Services Europe Limited are established in the European Union and</p>	

are registered under the CRA Regulation. As such, Fitch Polska and Standard & Poor's Credit Market Services are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

In 2013, the Bank elected to cease soliciting ratings from Moody's Investors Service (**Moody's**). Any ratings published by Moody's ratings entities in connection with the Bank are unsolicited and are based purely on publicly available information. Such ratings are therefore not disclosed in this Base Prospectus.

The sub-section "Description of the Group – Ratings" on pages 175 - 176 of the Base Prospectus shall be deleted in its entirety and replaced with the following wording:

"Ratings

The table below sets forth information regarding the ratings assigned to the Bank as at the date of this Base Prospectus.

	Fitch Polska	Standard & Poor's Credit Market Services Europe Limited
Long-term rating of deposits/liabilities	BBB	BBB+
Short-term rating of deposits/liabilities	F2	A-2
Support rating	2	–
Viability rating	bbb-	–
Outlook of long-term rating	stable	negative

Source: Fitch Polska S.A. and S&P Global Ratings

Standard & Poor's Credit Market Services Europe Limited (**S&P Global Ratings** or **S&P**) has assigned the long-term credit rating BBB+ (negative outlook) to the Bank. Pursuant to S&P's rating definitions, the assigned credit rating of the Bank means the "obligor...has adequate capacity to meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments". An S&P Global Ratings outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). Negative means that a rating may be lowered.

S&P Global Ratings has assigned a short-term credit rating A-2 to the Bank. Pursuant to S&P's rating definitions, the assigned short-term credit rating of the Bank means the "obligor... has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category."

On 9 June 2015, S&P Global Ratings downgraded the Bank's long-term counterparty credit rating to 'BBB' from 'BBB+'. This rating action followed a downgrade by S&P Global Ratings of the ratings assigned to Commerzbank AG and other German banks and was the outcome of a review by S&P Global Ratings of the implications of the introduction of the BRRD in Germany and the reduced

prospects of extraordinary government support. On 3 February 2016, S&P Global Ratings changed the outlook on to the Bank's credit rating to negative from stable following a negative assessment of country risk. On 11 March 2016, S&P Global Ratings again revised the rating outlook for mBank to stable, following a similar revision of Commerzbank's rating outlook. On 15 December 2016, S&P's outlook for mBank's long-term rating was placed on CreditWatch with positive implications following a similar rating action on Commerzbank. On 28 March 2017, S&P raised mBank's long-term issuer credit rating from 'BBB' to 'BBB+' following the upgrade of Commerzbank from 'BBB+' to 'A-'. The outlook on mBank's long-term rating after the rating upgrade is negative, which reflects the negative outlook on Commerzbank's rating.

Fitch Polska S.A. (**Fitch**) has assigned the Bank a long-term credit rating of BBB (stable outlook). Pursuant to Fitch's rating definitions, BBB ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered strong, but adverse business or economic conditions are more likely to impair this capacity. Stable outlook indicates the rating is likely to be stable over a one- to two-year period.

Fitch has assigned the Bank a short-term credit rating of F2. Pursuant to Fitch's rating definitions, the assigned short-term credit rating of the Bank denotes good short-term credit quality. The intrinsic capacity for the timely payment of financial commitments is good.

On 19 May 2015, Fitch downgraded the Bank's Long-term IDR and senior debt rating to 'BBB- (positive outlook)' from 'A (negative outlook)' following the downgrade of Commerzbank AG. The Bank's short-term IDR was downgraded to F3 from F1 and the Support Rating was lowered to '2' from '1'. The rating action, taken in conjunction with Fitch's review of sovereign support for banks globally, reflected Fitch's view that after the implementation of the "Bank Recovery and Resolution Directive", sovereign support can no longer be relied upon. On 7 March 2016, Fitch upgraded the long-term IDR for the Bank and the long-term senior unsecured debt rating from BBB- to BBB. The Bank's short-term foreign currency IDR and the short-term senior unsecured debt rating were raised from F3 to F2. The outlook for the long-term rating is stable. The upgrade of the Bank's ratings was driven by the upgrade of the long-term rating of Commerzbank AG from BBB to BBB+. mBank's IDRs, Support Rating and senior debt ratings reflect Fitch's view of a high probability that mBank would be supported by Commerzbank, if required.

Fitch Polska and Standard & Poor's Credit Market Services Europe Limited are established in the European Union and are registered under the CRA Regulation. As such, Fitch Polska and Standard & Poor's Credit Market Services Europe Limited are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

In 2013, the Bank elected to cease soliciting ratings from Moody's Investors Service (**Moody's**). Any ratings published by Moody's ratings entities in connection with the Bank are unsolicited and are based purely on publicly available information. Such ratings are therefore not disclosed in this Base Prospectus.”

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

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

In accordance with Article 13 paragraph 2 of the Prospectus Act, investors who have already agreed to purchase or subscribe for the securities before the publication of this first Supplement have the right, exercisable within a time limit of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances. This right to withdraw shall expire at close of business on 17 May 2017.