

SECOND SUPPLEMENT DATED 1st September 2016 TO THE BASE PROSPECTUS DATED 23 MARCH 2016



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 second supplement to the Base Prospectus dated 23 March 2016 (the **Base Prospectus**) and must be read in conjunction with the Base Prospectus as supplemented by a first prospectus supplement dated 9 May 2016 (the **First Supplement**, and together with the Base Prospectus, **the 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 six month period ended 30 June 2016 (the **Group IFRS Condensed Consolidated Financial Statements**), (b) update selected financial information in order to include the Group IFRS Condensed Consolidated Financial Statements and (c) to amend information on the Guarantor's material subsidiaries.

Documents incorporated by Reference

The Guarantor published the Group IFRS Unaudited Condensed Consolidated Financial Statements on 28 July 2016. A copy of the Group IFRS Unaudited Condensed Consolidated Financial Statements has been filed with the CSSF and, by virtue of this Supplement, the Group IFRS Unaudited 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	Page 4
Condensed consolidated income statement	Page 5
Condensed consolidated statement of comprehensive income	Page 6
Condensed consolidated statement of financial position	Page 7
Condensed consolidated statement of changes in equity	Pages 8
Condensed consolidated statement of cash flows	Page 9
Explanatory notes to the condensed consolidated financial statements	Pages 10-62
Selected explanatory information	Pages 63-72

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.

Copies of the document incorporated by reference in this Supplement can be obtained on the website of the Guarantor (<https://www.mbank.pl/en/investor-relations/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 30 June 2016 and there has been no material adverse change in the prospects of the Guarantor and the Group since 31 December 2015.

Summary of the Programme

The Group IFRS Unaudited Condensed Consolidated Financial Statements published on 28 July 2016 update selected financial information on pages 17-19 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 half of 2016 (01.01.2016-30.06.2016), for the first half 2015 (01.01.2015-30.06.2015) as well as for each of the two years ended 31 December 2015 and 31 December 2014:

		For the year ended 31 December		For the year ended 31 December
	H1 2016	2015	H1 2015	2014
	PLN thousands			
	unaudited	audited	unaudited	audited
Net interest income	1,360,861	2,511,373	1,192,987	2,490,658
Net fee and commission income	421,448	897,176	424,193	901,690
Trading and other income*	429,586	684,774	385,797	546,820
Operating income**	2,211,895	4,093,323	2,002,977	3,939,168
Overhead costs, amortisation	(971,471)	(2,050,596)	(936,344)	(1,770,565)
Net impairment losses on loans and advances	(186,263)	(421,222)	(207,637)	(515,903)
Operating profit	1,054,161	1,621,505	858,996	1,652,700
Taxes on bank balance sheet items	(146,313)	(3,650)	(1 795)	-
Profit before income tax	907,848	1,617,855	857,201	1,652,700
Net profit	698,700	1,304,128	674,053	1,289,310
Net profit attributable to:				
Owners of mBank S.A.	696,286	1,301,246	672,259	1,286,668
Non-controlling interests	2,414	2,882	1,794	2,642

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

Consolidated Statements of Financial Position

The table below sets out summary information extracted from the Group's consolidated statements of financial position as at 30 June 2016 and 30 June 2015 as well as at 31 December 2015 and 31 December 2014:

	30 June 2016	31 December 2015	30 June 2015	31 December 2014
<i>PLN thousands</i>				
	<i>unaudited</i>	<i>audited</i>	<i>unaudited</i>	<i>audited</i>
ASSETS				
Cash and balances with the Central Bank	6,433,221	5,938,133	3,187,463	3,054,549
Loans and advances to banks	1,680,830	1,897,334	2,071,953	3,751,415
Trading securities	3,233,150	557,541	2,597,284	1,163,944
Derivative financial instrument	2,411,457	3,349,328	3,345,943	4,865,517
Loans and advances to customers	80,774,809	78,433,546	77,241,598	74,582,350
Investment securities	31,644,303	30,736,949	29,515,812	27,678,614
Other assets*	2,555,715	2,610,190	2,644,062	2,889,433
Total assets	128,733,485	123,523,021	120,604,115	117,985,822
LIABILITIES & EQUITY				
Amounts due to other banks	12,058,197	12,019,331	15,675,917	13,383,829
Derivative financial instruments	2,157,160	3,173,638	3,302,248	4,719,056
Amounts due to customers	85,302,300	81,140,866	73,058,259	72,422,479
Debt securities in issue	10,115,495	8,946,195	11,013,855	10,341,742
Subordinated liabilities	3,910,457	3,827,315	3,896,612	4,127,724
Other liabilities**	2,392,877	2,140,712	2,109,691	1,918,012
Total liabilities	115,936,486	111,248,057	109,056,582	106,912,842
Total equity	12,796,999	12,274,964	11,547,533	11,072,980
Total liabilities and equity	128,733,485	123,523,021	120,604,115	117,985,822

Source: Consolidated Financial Statements

* 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

** 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.

Statements of no significant or material adverse change

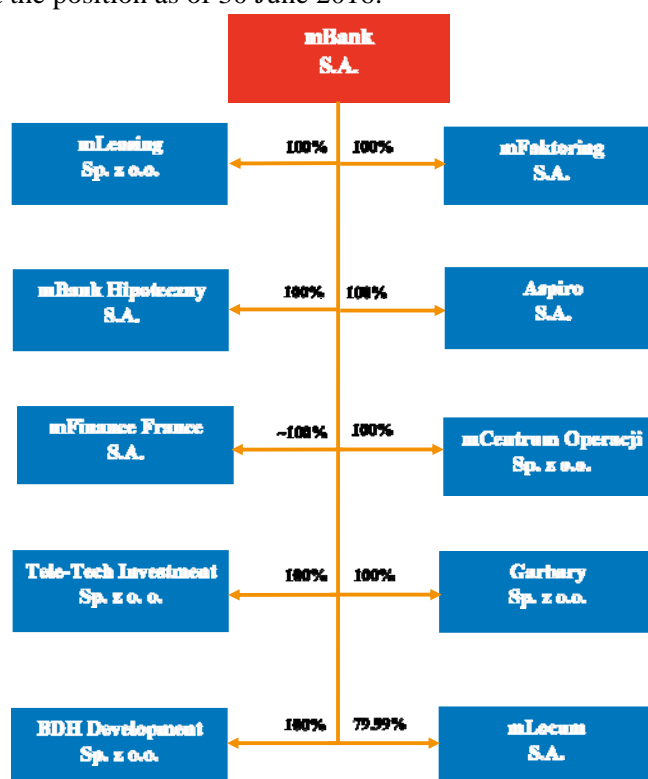
There has been no significant change in the financial position of the Guarantor and the Group since 30 June 2016 and there has been no material adverse change in the prospects of the Guarantor and the Group since 31 December 2015.

Description of the Group

On 20 May 2016, the Bank's subsidiaries Dom Maklerski mBanku and mWealth Management, providing specialised brokerage services, private banking and asset management, were integrated into the organizational structure of the Bank. Consequently, on 20 May 2016, Dom Maklerski mBanku and mWealth Management were struck off from the National Court Register.

As a result of the above change in the Group structure the following amendments are made in the Base Prospectus:

- the diagram which appears on page 13 - element B.5 and page 17 - element B.19/B.5 of the summary of the Base Prospectus under the heading "Description of the Group" and on page 195 of the Base Prospectus under the heading "General Information on the Bank – The Group – the Bank's Material Subsidiaries" is no longer correct and is hereby replaced with the following diagram which sets out the position as of 30 June 2016:



- on pages 161-163 of the Base Prospectus under the heading "Retail Banking" in section "Description of the Group" mWealth Management S.A. and Dom Maklerski mBanku S.A. (the retail segment of the company's activity) are hereby deleted from the list of Retail Banking subsidiaries and the description of their activities is removed;
- on page 166 of the Base Prospectus under the heading "Corporates and Financial Markets" in section "Description of the Group" Dom Maklerski mBanku S.A. (the corporate segment of the company's activity) is hereby deleted from the list of subsidiaries of the Corporate and Investment Banking sub-segment and the description of its activities is removed;

- on pages 196-197 of the Base Prospectus under the heading “The Bank’s Material Subsidiaries” in section “General Information on the Bank” Dom Maklerski mBanku (mDom Maklerski) and mWealth Management are hereby deleted from the list of material subsidiaries.

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 1st September 2016.