

24 March 2017

mFinance France S.A.

**Issue of CHF 200,000,000 1.005 per cent. Notes due 2023
Guaranteed by mBank S.A.
under the €3,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated 8 March 2017 (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus and the prospectus dated 24 March 2017 prepared by the Issuer in connection with the listing of the Notes on the SIX Swiss Exchange Ltd. (the **Swiss Prospectus**). Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the Swiss Prospectus. The Base Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Copies of the Swiss Prospectus are available from UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, 8098 Zurich, Switzerland, or can be ordered by telephone +41-44-239 47 03 (voicemail), fax +41-44-239 69 14 or by e-mail swiss-prospectus@ubs.com.

- | | | |
|----|--|--|
| 1. | (a) Series Number: | 7 |
| | (b) Tranche Number: | 1 |
| | (c) Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 2. | Specified Currency or Currencies: | Swiss Francs (CHF) |
| 3. | Aggregate Nominal Amount: | |
| | (a) Series: | CHF 200,000,000 |
| | (b) Tranche: | CHF 200,000,000 |
| 4. | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 5. | (a) Specified Denominations: | CHF 5,000 |
| | (b) Calculation Amount: | CHF 5,000 |
| 6. | (a) Issue Date: | 28 March 2017 |
| | (b) Interest Commencement Date: | Issue Date |
| 7. | Maturity Date: | 28 March 2023 |
| 8. | Interest Basis: | 1.005 per cent. Fixed Rate

(see paragraph 13 below) |

- | | | |
|-----|--|--|
| 9. | Redemption Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed at par on the Maturity Date |
| 10. | Change of Interest Basis: | Not Applicable |
| 11. | Put/Call Options: | Not Applicable |
| 12. | (a) Status of the Notes: | Unsubordinated |
| | (b) Status of the Guarantee: | Unsubordinated |
| | (c) Date of Board approval for issuance of Notes and Guarantee obtained: | 8 February 2017 and 14 February 2017, respectively |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|--------------------------------|--|
| 13. | Fixed Rate Note Provisions: | Applicable |
| | (a) Rate(s) of Interest: | 1.005 per cent. per annum payable in arrear on each Interest Payment Date |
| | (b) Interest Payment Date(s): | 28 March in each year, from and including 28 March 2018, up to and including the Maturity Date |
| | (c) Day Count Fraction: | 30/360 |
| | (d) Determination Date(s): | Not Applicable |
| 14. | Floating Rate Note Provisions: | Not Applicable |
| 15. | Zero Coupon Note Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|--|--|
| 16. | Notice periods for Condition 6.2: | Minimum period: 30 days
Maximum period: 60 days |
| 17. | Issuer Call: | Not Applicable |
| 18. | Investor Put: | Not Applicable |
| 19. | Final Redemption Amount: | CHF 5,000 per Calculation Amount |
| 20. | Early Redemption Amount payable on redemption for taxation reasons or on event of default: | Condition 6.5 applies. |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|----------------|--|
| 21. | Form of Notes: | |
|-----|----------------|--|

(a) Form:

The Notes and all rights in connection therewith are documented in the form of a Swiss permanent global note (the **Swiss Permanent Global Note**) substantially in the form annexed to the Supplemental Agency Agreement dated 24 March 2017 (the **Supplemental Agency Agreement**) between, inter alia, the Issuer, the Guarantor and the Swiss Paying Agents.

The Swiss Permanent Global Note shall be deposited by the Principal Swiss Paying Agent with SIS SIX AG (SIS) or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange Ltd. (SIS or any such other intermediary, the **Intermediary**) until final redemption of the Notes or the exchange of the Swiss Permanent Global Note for definitive Notes with Coupons attached as set out below. Once the Swiss Permanent Global Note has been deposited with the Intermediary and the relevant interests in the Notes entered into the accounts of one or more participants of the Intermediary, the Notes will constitute intermediated securities (*Bucheffekten*) (**Intermediated Securities**) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each holder of the Notes shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Swiss Permanent Global Note to the extent of its claim against the Issuer, provided that for so long as the Swiss Permanent Global Note remains deposited with the Intermediary, the co-ownership interest shall be suspended and the Notes may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) i.e. by entry of the transferred Notes in a securities account of the transferee.

The records of the Intermediary will determine the nominal amount of Notes represented by the Swiss Permanent Global Note and held by or through each participant in the Intermediary. The holders of Notes held in the form of Intermediated Securities will be the persons for the time being shown in the records of any custodian (*Verwahrungsstelle*) as holding the relevant nominal amount of the Notes in a securities account (*Effektenkonto*) with such custodian (*Verwahrungsstelle*) which is in their name (and the expression Noteholder and holder of Notes and related expressions shall be construed accordingly).

Neither the Issuer nor the holders of the Notes shall at any time have the right to effect or demand the conversion of the Swiss Permanent Global Note into, or

the delivery of, definitive Notes (*Wertpapiere*) or uncertificated securities (*Wertrechte*).

No physical delivery of the Notes shall be made, unless and until definitive Notes (*Wertpapiere*) are printed. The Swiss Permanent Global Note shall be exchangeable in whole, but not in part, for definitive Notes (*Wertpapiere*) only if the Principal Swiss Paying Agent deems the printing of definitive Notes (*Wertpapiere*) to be necessary or useful, after consultation with the Issuer, or if, under Swiss or any other applicable laws and regulations, the enforcement of obligations under the Notes can only be ensured by means of presentation of definitive Notes (*Wertpapiere*). Should the Principal Swiss Paying Agent so determine, it shall provide for the printing and delivery of definitive Notes (*Wertpapiere*) with Coupons attached in accordance with the rules and regulations of the Intermediary and without cost to holders of the Notes. Should definitive Notes (*Wertpapiere*) with Coupons attached be so printed, the Swiss Permanent Global Note will immediately be cancelled by the Principal Swiss Paying Agent and the definitive Notes (*Wertpapiere*) with Coupons attached shall be delivered to the relevant holders of the Notes against cancellation of the relevant Notes in such holder's securities accounts.

- (b) New Global Note: No
22. Additional Financial Centre(s): Zurich, TARGET2
23. Talons for future Coupons to be attached to Definitive Notes: No
24. Other final terms:
- (a) Paying Agents: UBS AG shall act as principal Swiss paying agent (the **Principal Swiss Paying Agent**) and together with Credit Suisse AG as the Swiss paying agents (the **Swiss Paying Agents**) in respect of the Notes. All references in the Conditions of the Notes to the Principal Paying Agent shall be deemed to be references to the Principal Swiss Paying Agent and all references therein to the Paying Agents shall be deemed to be to the Swiss Paying Agents.
- The Issuer will at all times maintain a Paying Agent having a specified office in Switzerland in respect of the Notes and will at no time maintain a Paying Agent having a specified office outside Switzerland in relation to the Notes.
- (b) Payments: Payments of principal and interest in respect of the Notes will be made in freely disposable Swiss Francs

without collection costs in Switzerland and without any restrictions and irrespective of nationality, domicile or residence of the holder of a Note or Coupon and without requiring any certification, affidavit or the fulfilment of any other formality.

The receipt by the Principal Swiss Paying Agent of the due and punctual payment of the relevant funds in Swiss Francs in Zurich, in the manner provided by the Conditions and these Final Terms, shall release the Issuer from its obligations under the Notes and Coupons for the payment of interest and principal due on the respective Interest Payment Dates and on the Maturity Date to the extent of such payment.

The Swiss Permanent Global Note and Condition 6 of the Conditions shall be construed accordingly.

(c) Taxation:

No additional amounts will be paid in respect of any withholding or deduction from any payment of, or in respect of, principal and interest on the Notes pursuant to laws enacted by Switzerland providing for (a) the exchange of information replacing taxation of payments according to principles similar to those laid down in the European Council Directive 2003/48/EC or (b) taxation succeeding the draft legislation repealed by the Swiss Federal Council on 24 June 2015, including, without limitation, any such withholding or deduction by the Principal Swiss Paying Agent or any other paying agent in Switzerland.

See the section headed “Taxation” in the Swiss Prospectus.

Condition 7 of the Conditions shall be construed accordingly.

(d) Notices:

So long as the Notes are listed on the SIX Swiss Exchange Ltd. and so long as the rules of the SIX Swiss Exchange Ltd. so require, all notices in respect of the Notes shall be validly given through the Principal Swiss Paying Agent by means of electronic publication on the internet website of the SIX Swiss Exchange Ltd. (www.six-swiss-exchange.com, where notices are currently published under the address http://www.six-swiss-exchange.com/news/official_notices/search_en.html.) or otherwise in accordance with the regulations of the SIX Swiss Exchange Ltd. Any notices so given will be deemed to have been validly given on the date of such

publication or if published more than once, on the first date of such publication.

Condition 13 of the Conditions shall be construed accordingly.

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the SIX Swiss Exchange Ltd. of the Notes described herein pursuant to the EUR 3,000,000,000 Euro Medium Term Note Programme of of mFinance France S.A. guaranteed by mBank S.A.

Signed on behalf of **mFINANCE FRANCE S.A.:** Signed on behalf of **mBANK S.A.:**

By: **OLIVER KOPKE**
 President of the Management Board

Duly authorised

By: **KAROL PRAZMO**
 Director of Treasury Department

TOMASZ WOLOSZ
Deputy Director of Treasury Department
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING** Application will be made by the Issuer for listing on the SIX Swiss Exchange Ltd. The Notes have been provisionally admitted to trading on the SIX Swiss Exchange Ltd. with effect from 24 March 2017.

2. **RATINGS**

Ratings:

The Notes to be issued are expected to be rated BBB (stable outlook) by Fitch Polska S.A (**Fitch**) and BBB (CreditWatch positive) by Standard & Poor's Credit Market Services Europe Limited (**S&P**).

Each of Fitch and S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

Pursuant to S&P's rating definitions, the assigned credit rating of the Notes 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". CreditWatch highlights S&P's opinion regarding the potential direction of a long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by S&P's analytical staff. The "positive" designation means that a rating may be raised.¹

Fitch Polska S.A. (Fitch) has assigned the long term credit rating BBB (stable outlook). Pursuant to Fitch's rating definitions, the assigned credit rating of the Notes 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.²

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for any fees payable to the Joint Lead Managers and any on-lending arrangement of the net

¹ S&P assigns long-term credit ratings on a scale from AAA to D. The ratings from AA to CCC may be modified by the addition of a "+" or "-" to show the relative standing within the major rating categories. S&P may also offer guidance (termed a "credit watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (neutral). S&P assigns short-term credit ratings for specific issues on a scale from A-1, A-2, A-3, B, C down to D. Within the A-1 category the rating can be designated with a "+".

² Fitch assigns long-term credit ratings on a scale from AAA to D. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Fitch may also offer guidance (termed a "rating watch") which indicate that there is a heightened probability of a rating change and the likely direction of such a change. These are designated as "Positive", indicating a potential upgrade, "Negative", for a potential downgrade, or "Evolving", if ratings may be raised, lowered or affirmed. Fitch assigns short-term credit ratings for specific issues on a scale from F1, F2, F3, B, C down to D. Within the F1 category the rating can be designated with a "+".

proceeds of the issue of the Notes between the Issuer and the Guarantor, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Joint Lead Managers 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 Issuer and the Guarantor and their affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | | |
|-------|---------------------------|---|
| (i) | Reasons for the offer: | The net proceeds from the issue of Notes will be transferred to the ownership of the Guarantor and deposited to its account under the terms of a deposit agreement (<i>umowa kaucji</i>), establishing a deposit (<i>kaucja</i>), to be entered into between the Issuer and the Guarantor on or before the Issue Date, and will be used by the Guarantor for general corporate purposes, which include making a profit. |
| (ii) | Estimated net proceeds: | CHF 199,275,000 |
| (iii) | Estimated total expenses: | Not Applicable |

5. YIELD (*Fixed Rate Notes Only*)

- | | |
|----------------------|---|
| Indication of yield: | 1.005 per cent. per annum. |
| | The yield is calculated at the Issue Date and is not an indication of any future yield. |

6. HISTORIC INTEREST RATES (*Floating Rate Notes Only*)

Not Applicable.

7. OPERATIONAL INFORMATION

- | | | |
|-------|--|--|
| (i) | ISIN Code: | CH0359915433 |
| (ii) | Common Code: | 158412560 |
| (iii) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | SIX SIS AG, Olten, Switzerland
Swiss Security Number: 35.991.543 |
| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | UBS AG
Bahnhofstrasse 45
CH-8001 Zurich
Switzerland

Credit Suisse AG
Paradeplatz 8
CH-8001 Zurich
Switzerland |

- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: 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 Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day 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.

8. DISTRIBUTION

- (i) Method of distribution: Syndicated
- (ii) If syndicated, names and addresses of Managers and underwriting commitments/quotas (material features):
- UBS AG
Bahnhofstrasse 45
CH-8001 Zurich
Switzerland
CHF 67,000,000
- Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
D-60311 Frankfurt am Main
Federal Republic of Germany
CHF 66,500,000
- Credit Suisse AG
Paradeplatz 8
CH-8001 Zurich
Switzerland
CHF 66,500,000
- (together, the **Joint Lead Managers**)
- (iii) Date of Subscription Agreement: 24 March 2017
- (iv) Stabilisation Manager(s) (if any): Not Applicable
- (v) Total commission and concession: The Joint Lead Managers will receive a fee of 0.30 per cent. of the Aggregate Nominal Amount to be distributed between the Joint Lead Managers.
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D in accordance with the usual Swiss practice
- (vii) Italian Selling Restriction: No sales into Italy
- (viii) Non-exempt Offer: Not Applicable
- (x) Prohibition of Sales to EEA Retail

Investors:

(i) Selling restriction: Not Applicable

(ii) Legend: Not Applicable