

CONFORMED COPY

MIFID II product governance / Retail investors, professional investors and ECPs – Solely for the purposes of the product approval process of each entity which is a manufacturer in relation to the Notes (pursuant to MiFID II product governance rules), the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

5 June 2018

mBank S.A.

Issue of CHF 180,000,000 0.565 per cent. Notes due 2022 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 17 May 2018 (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 5 June 2018 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 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.

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| 1. | (a) | Series Number: | 8 |
| | (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 180,000,000 |
| | (b) | Tranche: | CHF 180,000,000 |
| 4. | | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |

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| 5. | (a) | Specified Denominations: | CHF 5,000 |
| | (b) | Calculation Amount: | CHF 5,000 |
| 6. | (a) | Issue Date: | 7 June 2018 |
| | (b) | Interest Commencement Date: | Issue Date |
| 7. | | Maturity Date: | 7 June 2022 |
| 8. | | Interest Basis: | 0.565 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) | Date of Board approval for issuance of Notes obtained: | 11 April 2018 |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 13. | | Fixed Rate Note Provisions: | Applicable |
| | (a) | Rate(s) of Interest: | 0.565 per cent. per annum payable in arrear on each Interest Payment Date |
| | (b) | Interest Payment Date(s): | 7 June in each year, from and including 7 June 2019, 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

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| 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 5 June 2018 (the **Supplemental Agency Agreement**) between, inter alia, the Issuer 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.

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| (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 mBank S.A.

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

By: **Frank Bock**
Member of the Board
Head of Financial Markets

Karol Prazmo
Commercial Proxy

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 5 June 2018.

2. **RATINGS**

Ratings:

The Notes to be issued are expected to be rated BBB by Fitch Polska S.A (**Fitch**) and BBB+ 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".¹

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.²

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 "+".

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

Save for any fees payable to the Joint Lead Managers, 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 its affiliates in the ordinary course of business.

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

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| (i) Reasons for the offer: | The net proceeds from the issue of Notes will be used by the Issuer for general corporate purposes, which include making a profit. |
| (ii) Estimated net proceeds: | CHF 179,380,000 |
| (iii) Estimated total expenses: | Not Applicable |

5. YIELD (*Fixed Rate Notes Only*)

Indication of yield: 0.565 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

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| (i) ISIN Code: | CH0418609613 |
| (ii) Common Code: | 182979180 |
| (iii) CFI: | Not Applicable |
| (iv) FISN: | Not Applicable |
| (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | SIX SIS AG, Olten, Switzerland
Swiss Security Number: 41.860.961 |
| (vi) Delivery: | Delivery against payment |
| (vii) Names and addresses of additional Paying Agent(s) (if any): | Principal Swiss Paying Agent:
UBS AG
Bahnhofstrasse 45
CH-8001 Zurich |

Switzerland

Additional Swiss Paying Agent:

Credit Suisse AG
Paradeplatz 8
CH-8001 Zurich
Switzerland

- (viii) 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 60,000,000
- Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
D-60311 Frankfurt am Main
Federal Republic of Germany
CHF 60,000,000
- Credit Suisse AG
Paradeplatz 8
CH-8001 Zurich
Switzerland
CHF 60,000,000
- (together, the **Joint Lead Managers**)
- (iii) Date of Subscription Agreement: 5 June 2018
- (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: Not Applicable

