



# Bank Millennium Group

## Results of 2013 Financial Year

Friendly Bank



No 1 in Poland



Service Quality Stars



General Shareholders Meeting  
Bank Millennium S.A.

10 April 2014

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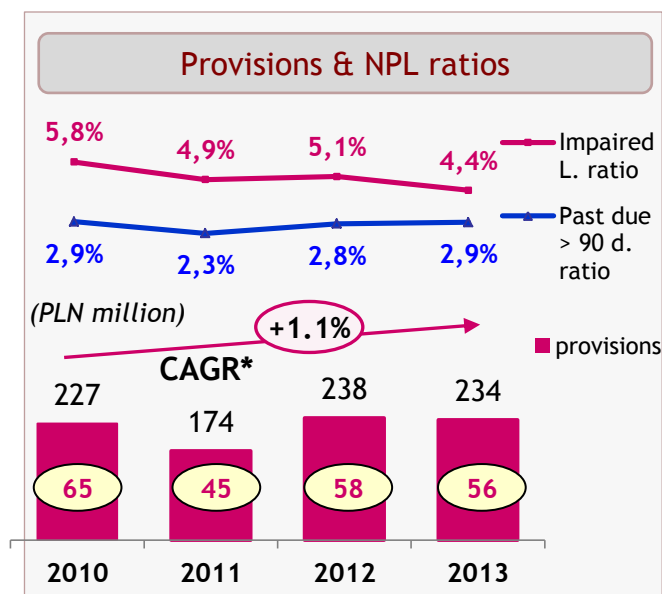
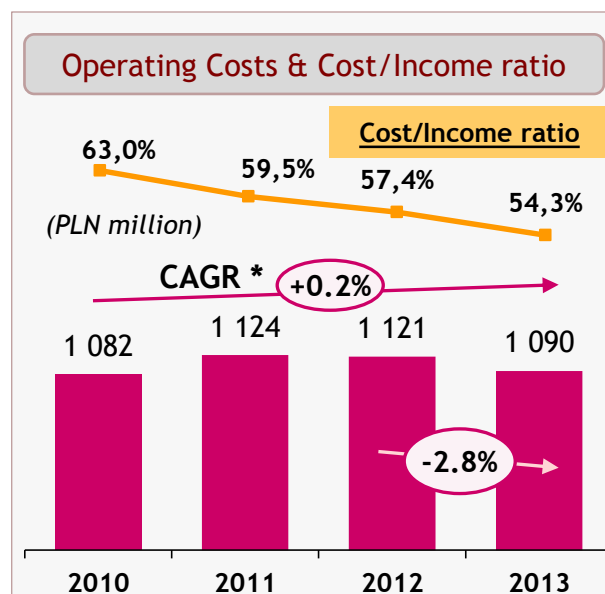
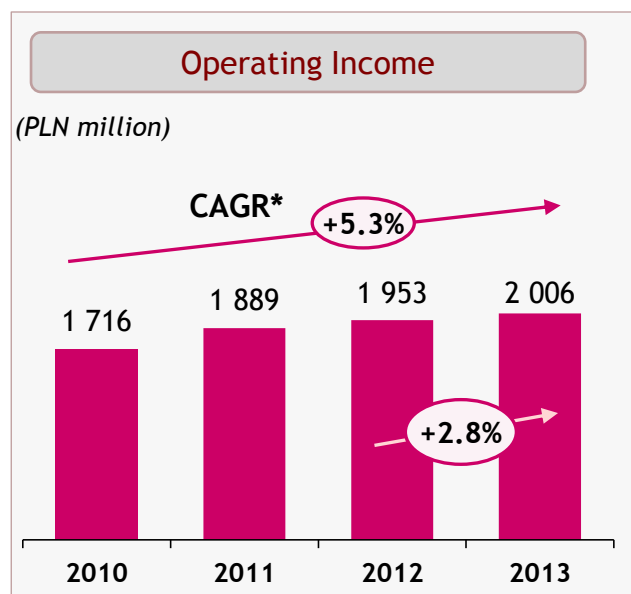
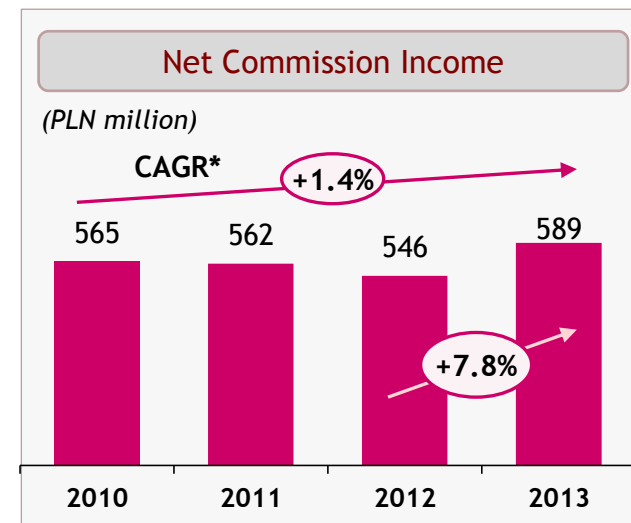
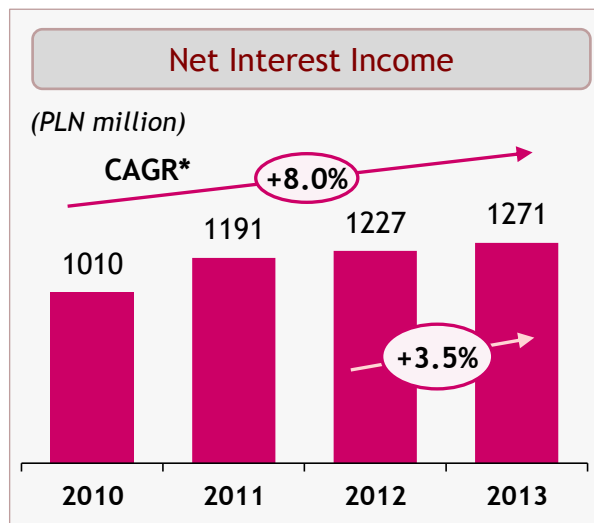
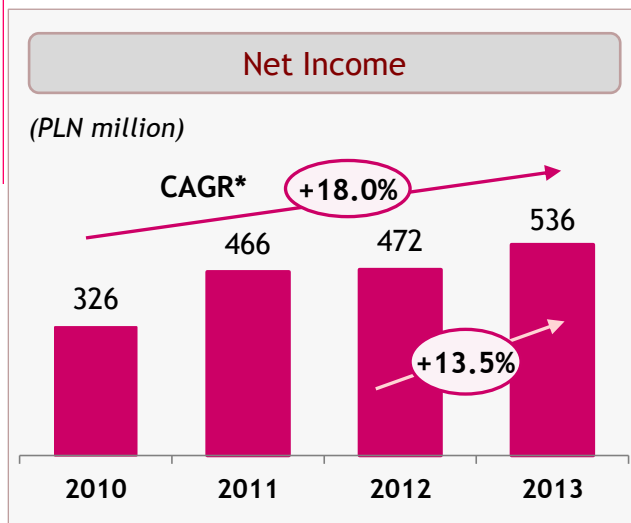
All data presented hereby is based on the audited, consolidated Bank Millennium Group financial data (excluding net profit for distribution, which is presented also for the Bank on non-consolidated level). This data is included in the Financial Statements for the Group and Bank Millennium and was published on 28<sup>th</sup> February 2014.

From 1st January 2006, the Bank started to treat under hedge accounting principles the combination of mortgage floating rate foreign currency loans, floating rate PLN deposits and related cross currency interest rate swaps. From 1st April 2009, the Bank extended hedge accounting principles to FX swaps. According to the accounting principles the margin from these operations is reflected in Net Interest Income. However, as this hedge accounting does not cover all the portfolio denominated in foreign currency, the Bank provides **pro-forma data**. The pro-forma statement presents all interests from derivatives included in Net Interest Income, which in the Bank's view allows better understanding of the economic evolution of this item.

The matters discussed in this presentation include forward-looking statements and these statements are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

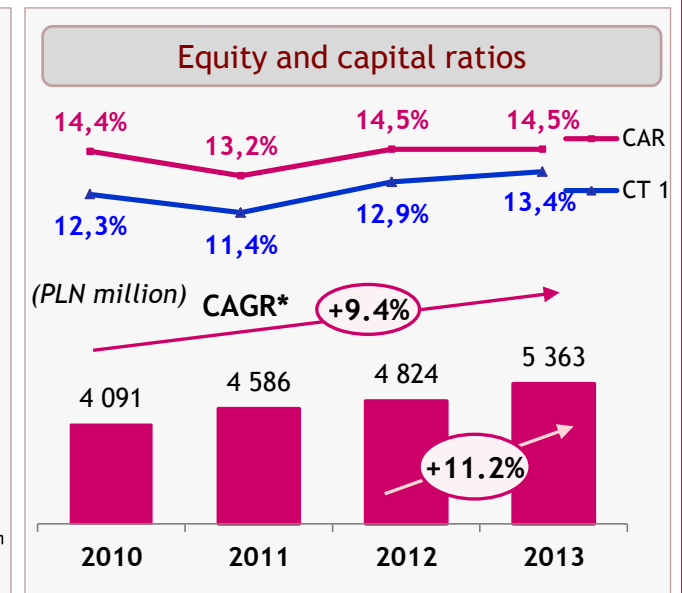
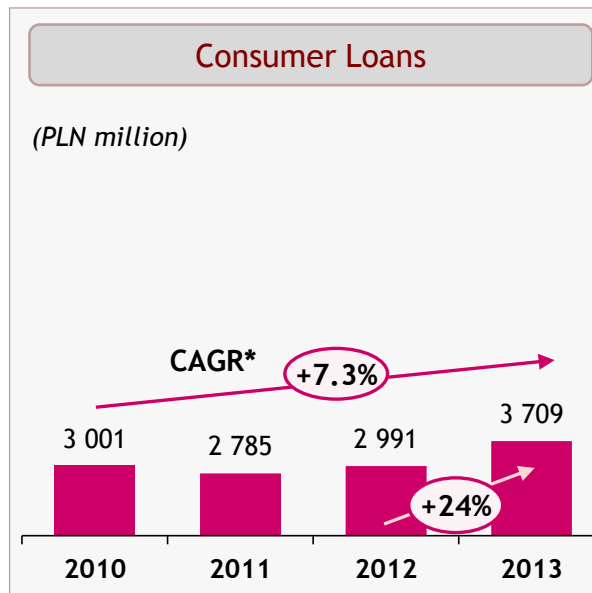
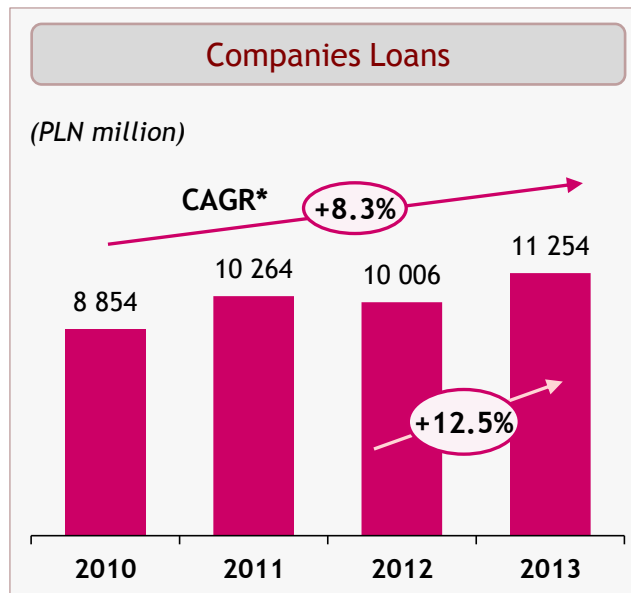
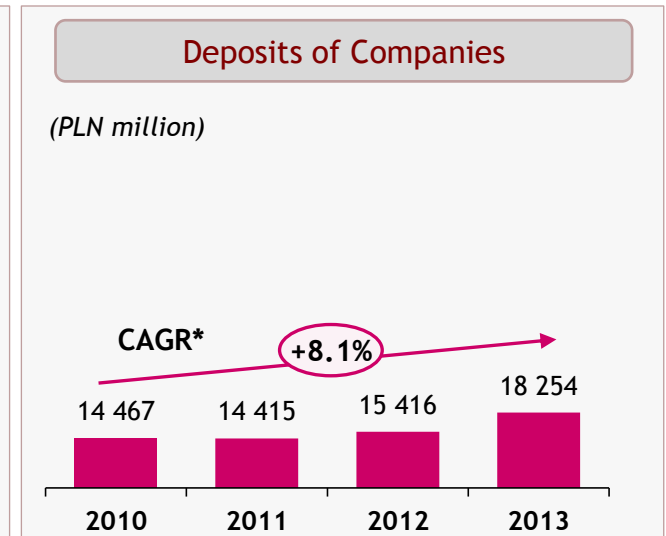
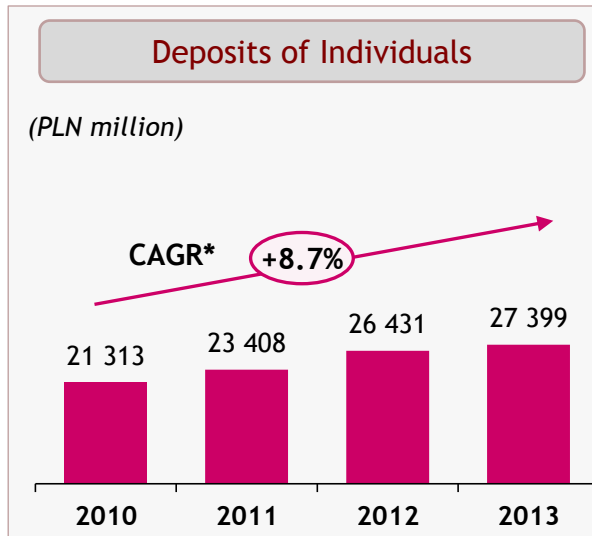
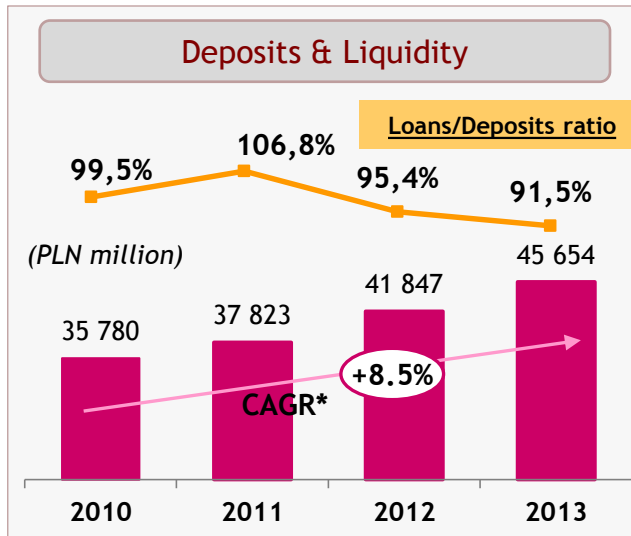
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# Summary of 2010-2013 achievements



\* Compound average growth rate

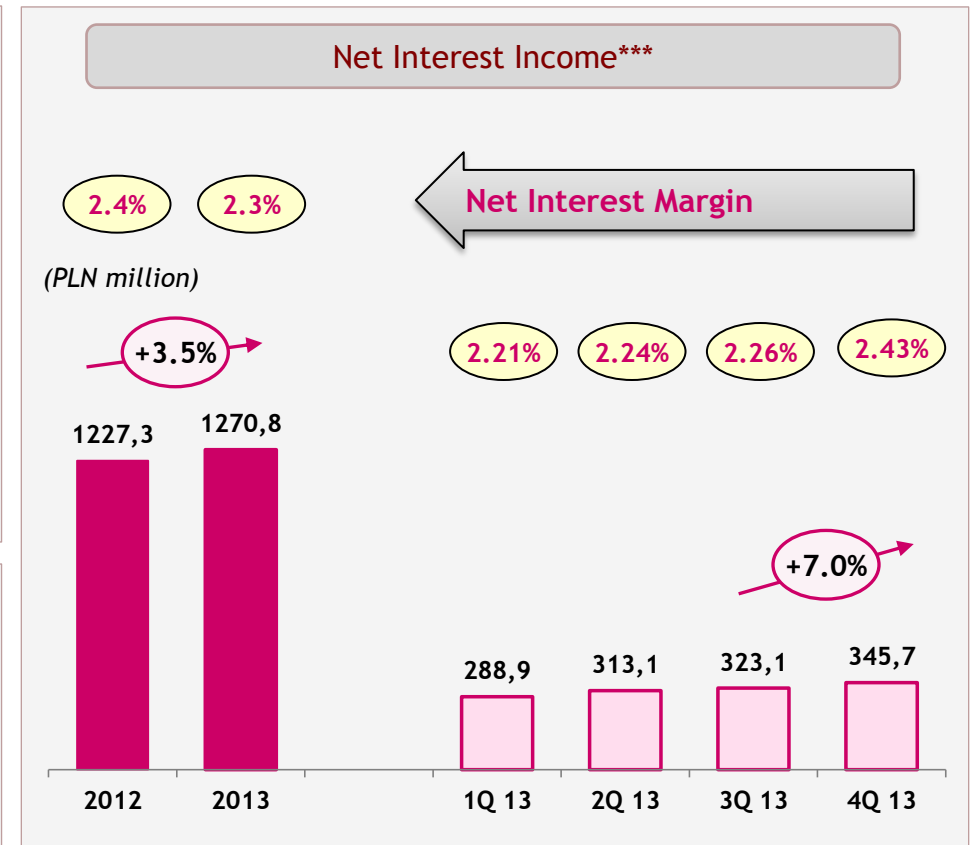
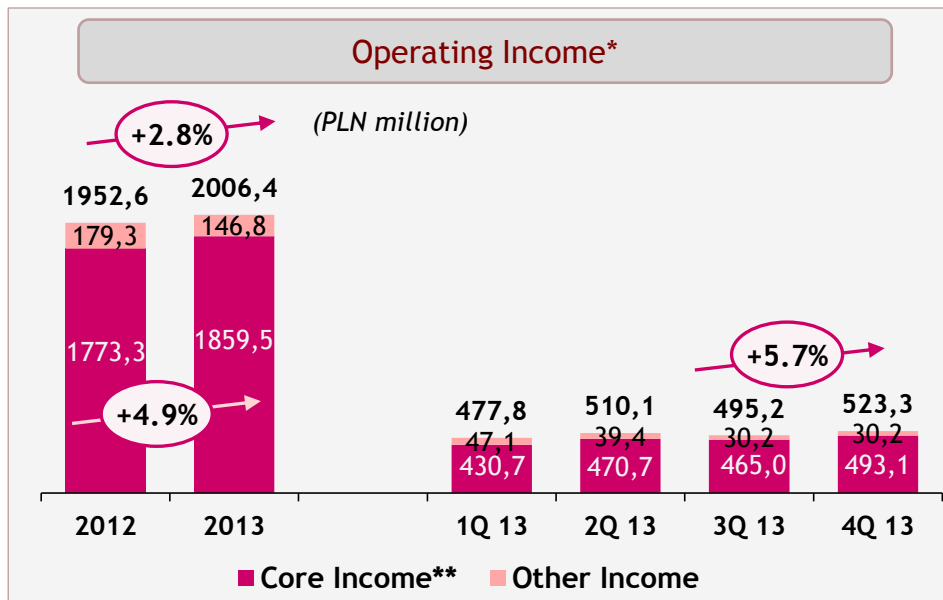
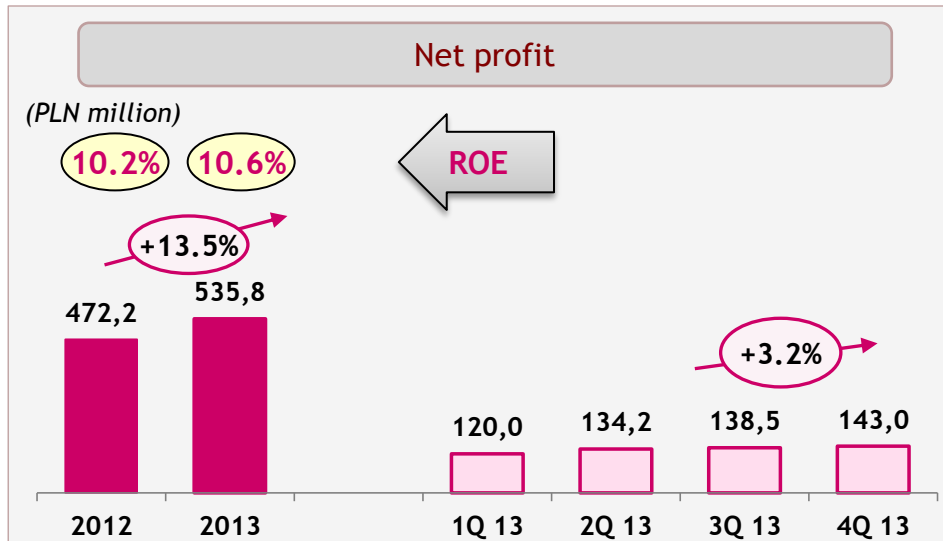
# Summary of 2010-2013 achievements



\* Compound average growth rate



# Profitability, operating income and interest margin



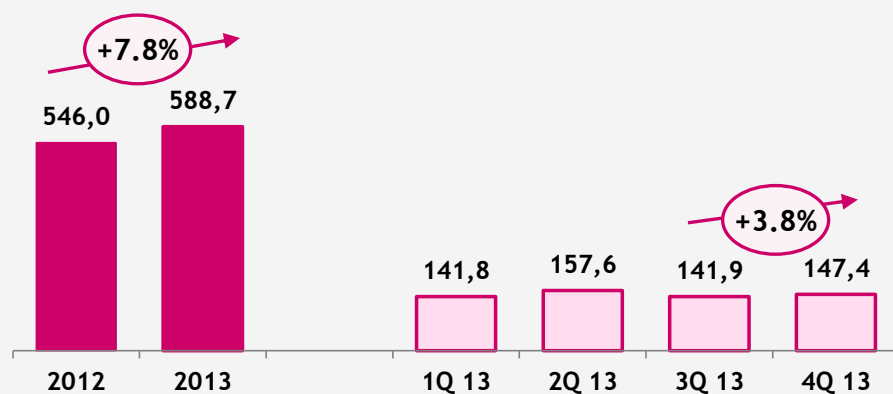
\*\*\* Pro-forma data. Margin from all derivatives hedging FX denominated loan portfolio is presented in interest revenue (hedging derivatives) and NII, whereas in accounting terms part of this margin (PLN 50.8 million in 2013 and PLN 66.1 million in 2012) is presented in Result on Financial Operations.

\* Including net other operating income and cost  
 \*\* Net Interest Income + Net Commissions Income

# Non-interest Income

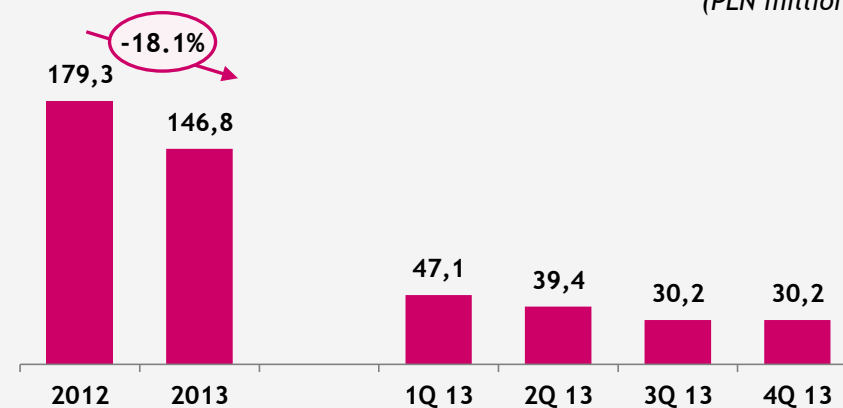
## Net Commission Income

(PLN million)



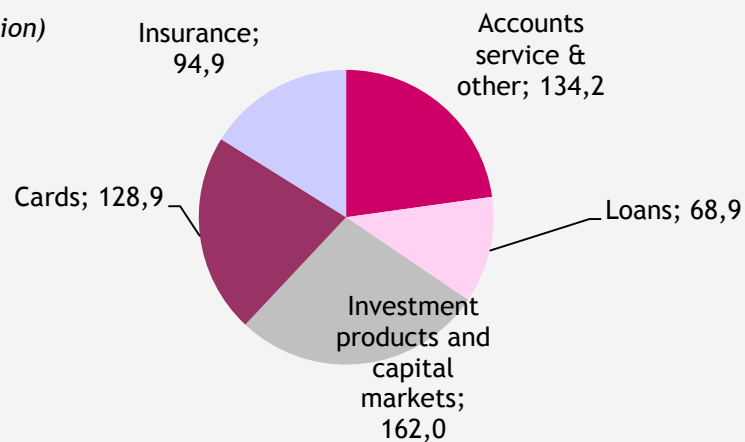
## Other Income\*

(PLN million)



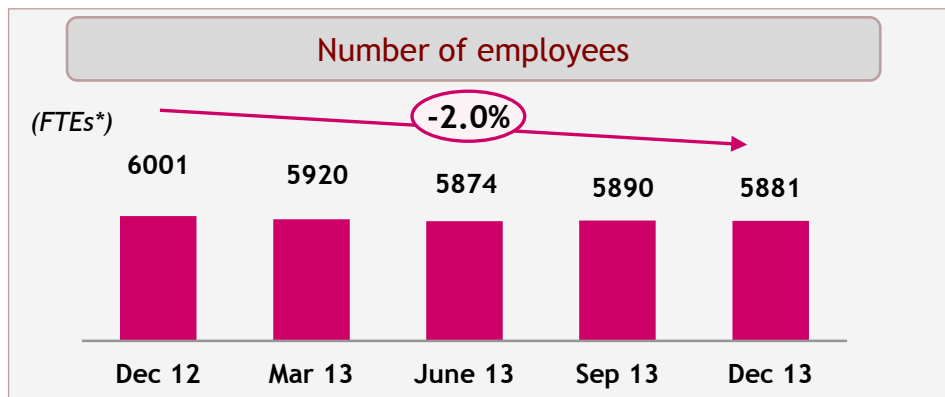
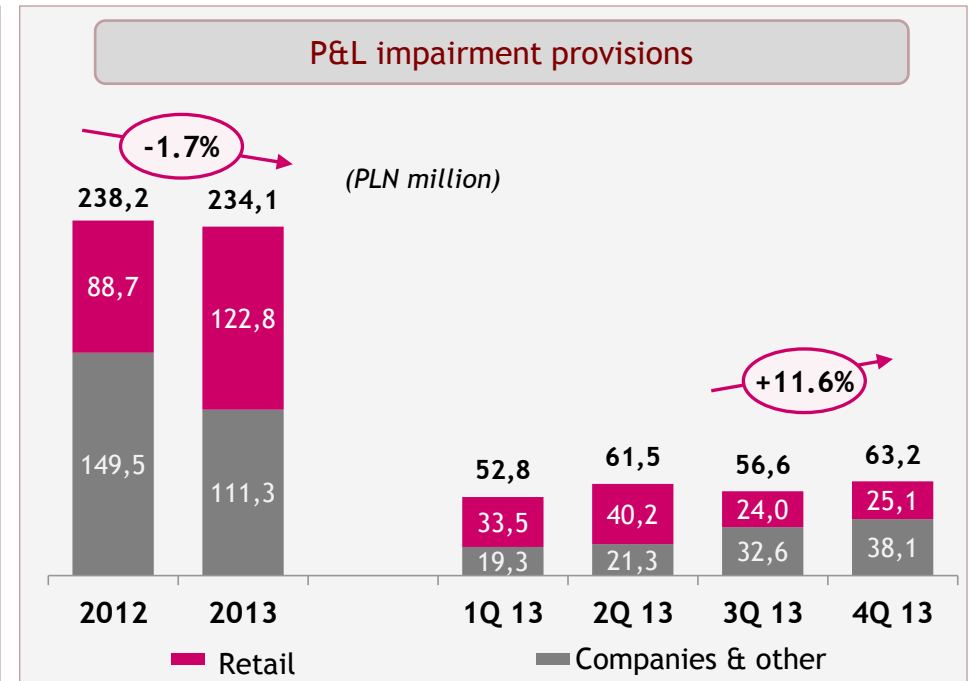
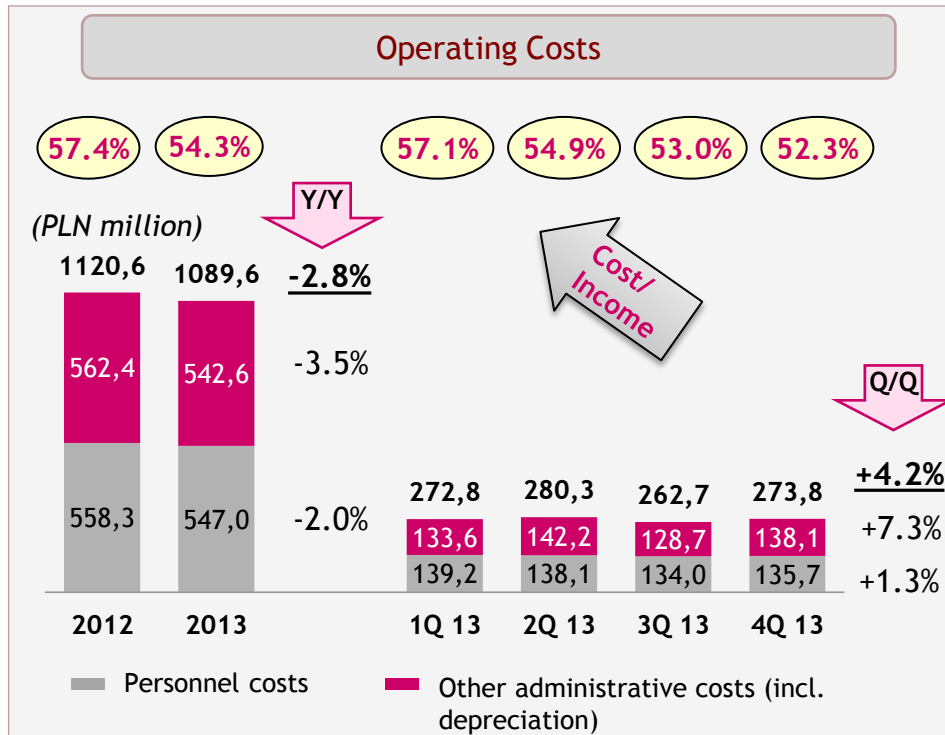
## Net Commission split for 2013

(PLN million)



\* On pro-forma basis, including FX income, result on financial operations, dividends and other operating income and costs.

# Operating Costs and risks



\* Full time equivalents

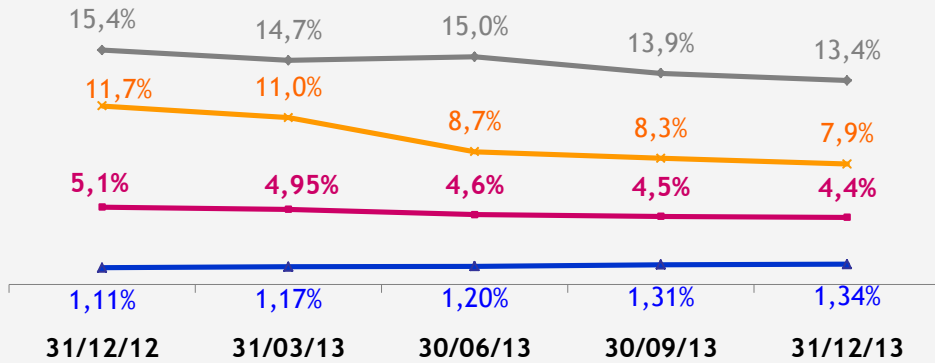
### Cost of Risk over average net loans

(in bps)

	2012	2013
MORTGAGE	14	12
OTHER RETAIL*	146	222
COMPANIES	154	108
<b>TOTAL</b>	<b>58</b>	<b>56</b>

# Asset quality

Impaired loans ratio by products



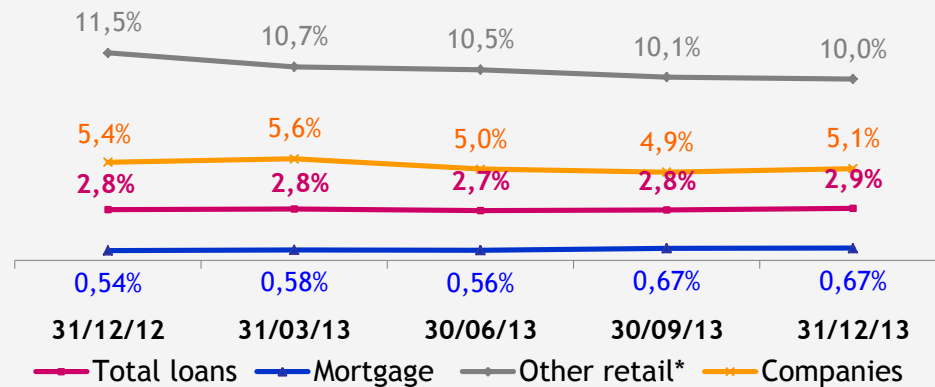
Coverage ratio \*\*

Retail\*: 69%

Companies: 69%

Total: 69%

Past-due loans (90 days) ratio by products



Coverage ratio \*\*

Retail\*: 104%

Companies: 108%

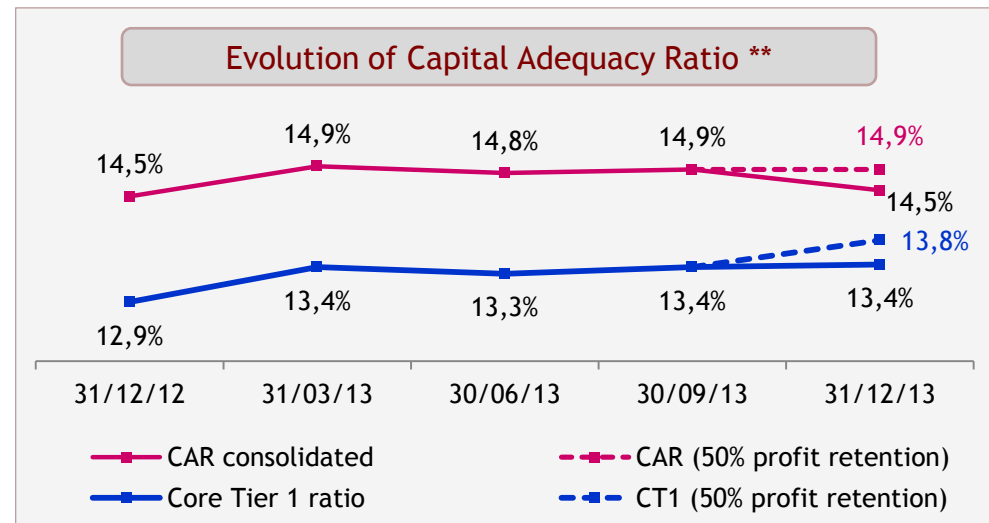
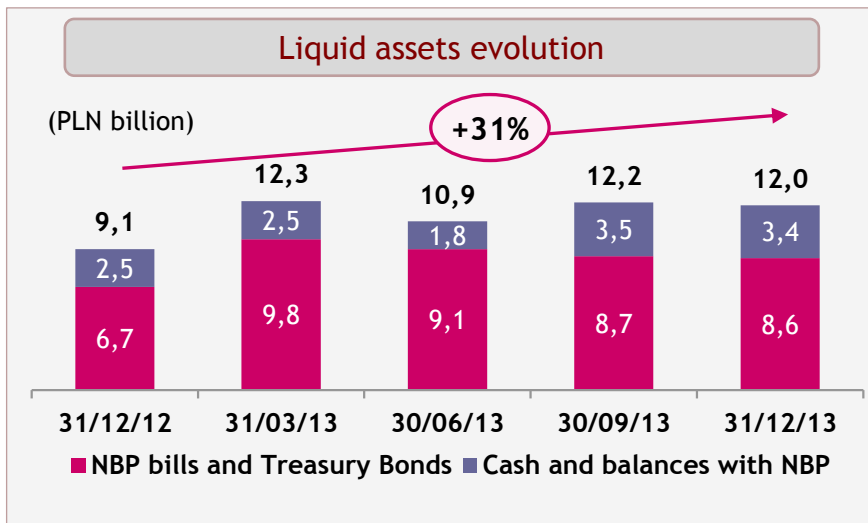
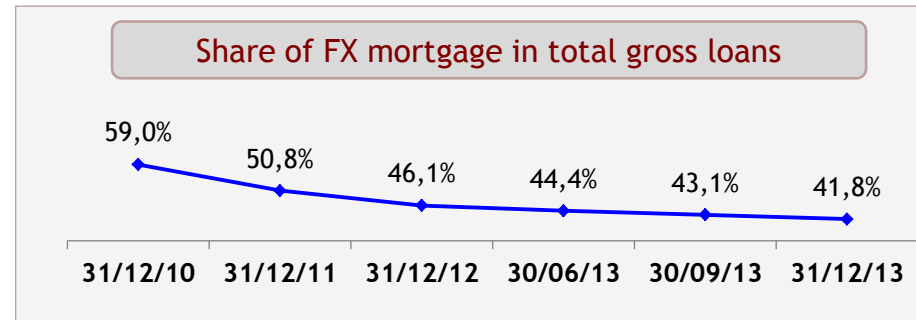
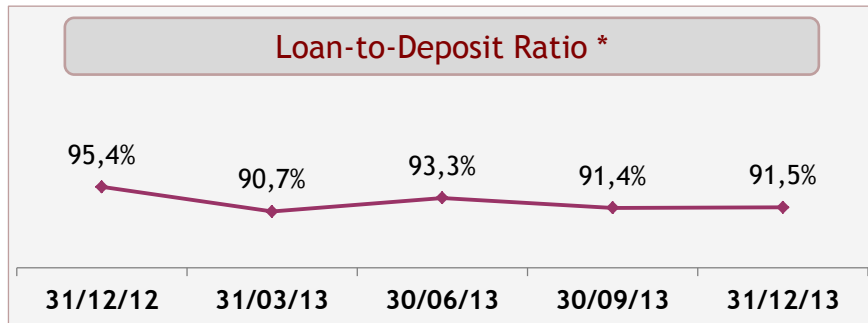
Total: 106%

\* According to internal segment division of the Bank

\*\* Coverage of gross impaired and gross past-due 90 days loans by total provisions (incl. IBNR)



# Liquidity and capital

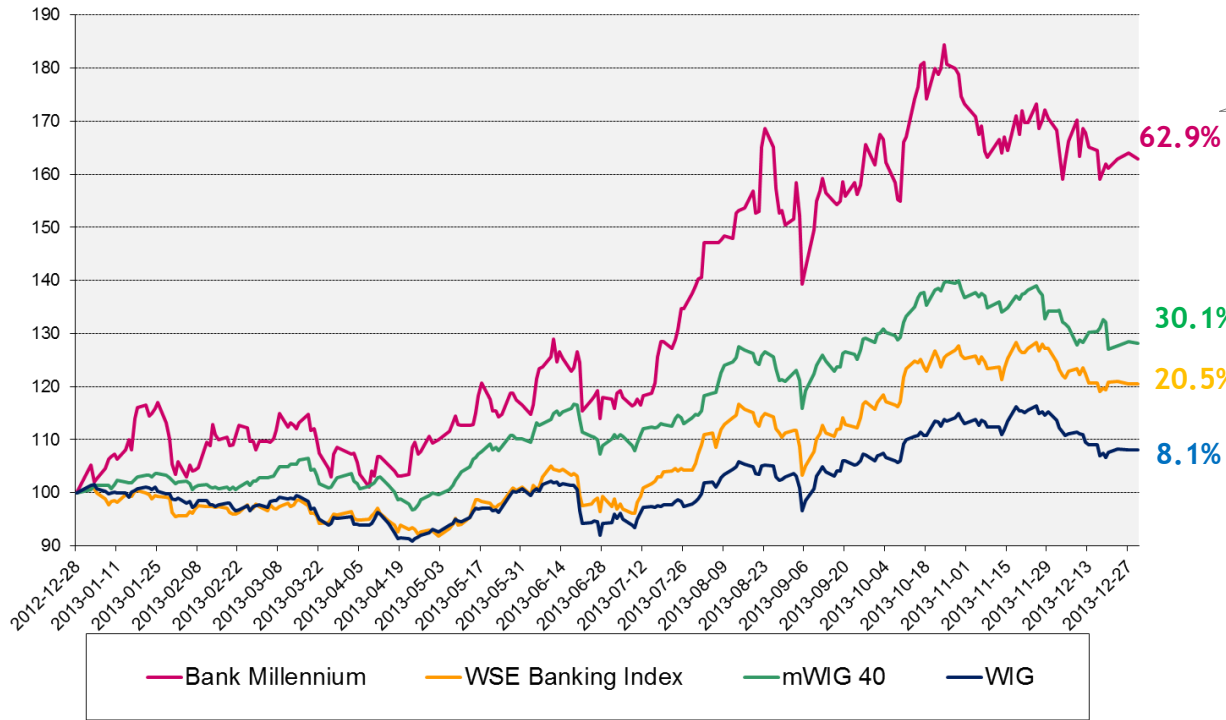


\* Includes Bank's bonds and debt securities sold to individuals, repo transactions with customers and securitisation of leasing assets.

\*\* Since Dec 2012 calculated with IRB approach to most of the retail exposure classes but capital requirement still include a temporary constraint.

# Bank Millennium 2013 share price performance

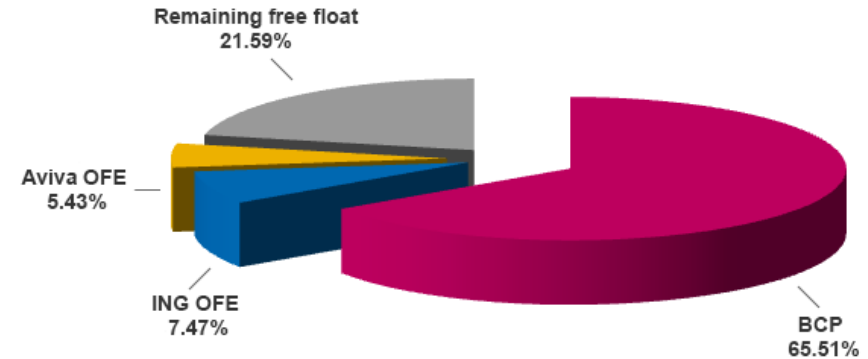
Bank Millennium share price % change from 28 Dec. 2012 until 30 Dec. 2013



Bank Millennium shares were the best performing in 2013 among the biggest WSE Banks

Bank Millennium share price annual growth was 3 times higher than WSE bank index

## SHAREHOLDERS STRUCTURE



## Bank Millennium share price and turnover in 2013

Turnover change	2013	2012	Change (%)
BM share price (in PLN, end of period)	7.20	4.42	62.9%
Total turnover (vol. of shares in million)	175.5	184.9	-5.1%
Total turnover (value in PLN million)	1,012.0	734.9	37.7%
Average daily trading (in PLN million)	4.1	3.0	37.7%

# Dividend distribution rationale and proposal

## Rationale for dividend proposal

- Bank Millennium fulfills on solo and consolidated basis the guidelines recommended by PFSA concerning possibility of dividends distribution
- The proposed dividend still ensures further increase of strong capital base that:
  - ✓ *will support the growth of the business*
  - ✓ *would absorb impacts from regulatory changes*
  - ✓ *provide a cushion for potential significant depreciation of the zloty*

## Therefore Management Board submits to the AGM the following proposal:

- Distribution of dividends related to 2013 Net Profit with a pay-out ratio of 50% of the consolidated net profit
- Amount to be distributed as dividend: 267 PLN mln
- Dividend per share: 0.22 PLN \*; dividend yield: 3,1%\*\*
- Dividend rights day: 7th May 2014, payment day: 21st May

\* Gross amount, before taxes

\*\* For the share price of PLN 7,20 as on 30 Dec 2013

# Proposal of Dividend Distribution from 2013 profit (Resolution no. 5)

	Amount in PLN ths	Share %
<b>Net profit of the Bank</b>	<b>496,775</b>	<b>100</b>
<i>for dividend</i>	<b>266,886</b>	<b>53.7</b>
<i>for reserve capital</i>	<b>229,889</b>	<b>46.3</b>
<b>Net profit of the Group</b>		
<b>Net profit of the Group</b>	<b>535,795</b>	<b>100</b>
<i>for dividend</i>	<b>266,886</b>	<b>49.8</b>