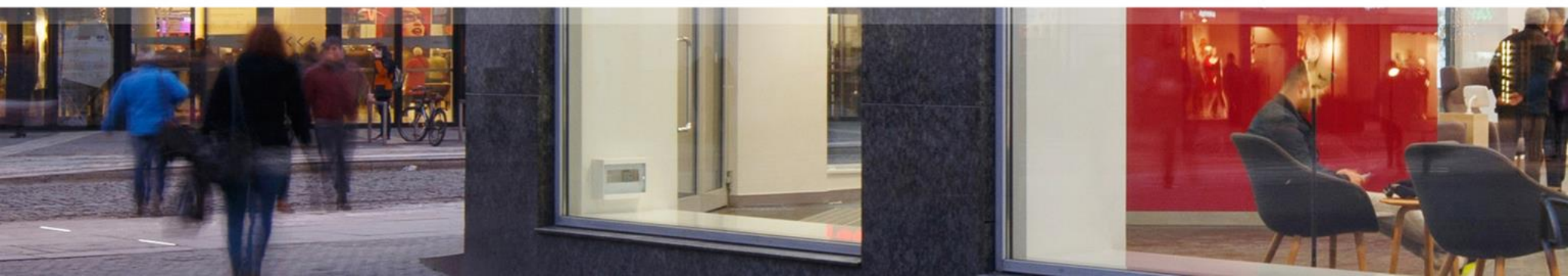




BANK MILLENNIUM GROUP

2016 results

Ordinary General Meeting of Bank Millennium S.A. – 31 of March 2017



DISCLAIMER

This presentation has been prepared by Bank Millennium for its stakeholders for information purpose only.

The information presented in this presentation should be read together with other information published by the Bank (on www.bankmillennium.pl), in particular financial and current reports and with documents delivered to this Ordinary General Meeting.

Financial data presented hereby is based on the consolidated Bank Millennium Group level. The Bank prepares its financial statements according to International Financial Reporting Standards, therefore only interests from derivatives meeting formal hedge accounting principles are recorded as Net Interest Income while other interest from derivatives is booked in Results on Financial Operations. As this hedge accounting relationship changes through time and does not necessarily include the entire portfolio of FX and Cross Currency Interest Rate swaps, the Bank provides in this presentation pro-forma data which presents all margin from derivatives in Net Interest Income. In the Bank's opinion, aforementioned approach allows better understanding of Net Interest Income evolution as it reflects substance of the derivatives transactions which are related to the liquidity management of the assets and liabilities in foreign currencies.

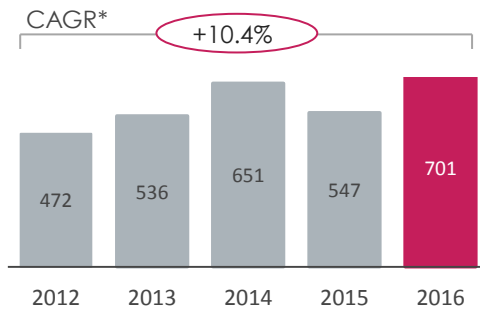
Statements regarding future refer only to the date on which they were created and are based on a knowledge, information and opinions available on this day. The Bank does not undertake obligation to publish any updates, modifications or revisions of the information, data or statements contained in this presentation unless such obligations arises under applicable laws and regulations.

This presentation should not be treated as a recommendation to purchase securities, an offer, invitation or a solicitation of an offer to purchase, invest or conclude any transaction on securities, in particular with respect to securities of Bank Millennium.

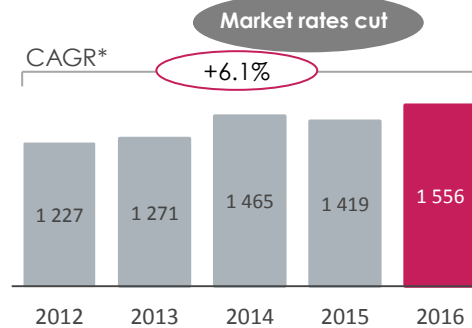
SUMMARY OF 2012-2016 ACHIEVEMENTS (1)

Strong financial performance despite unfavourable environment for banks in Poland: low interest rates, regulatory interventions on maximum fees and higher capital requirements

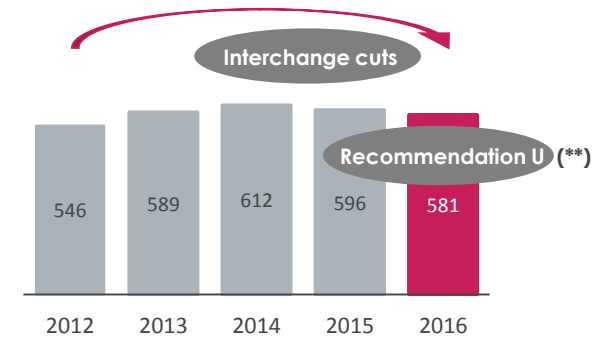
Net Income (PLN million)



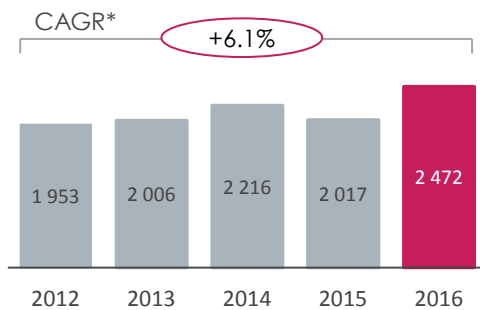
Net Interest Income (PLN million)



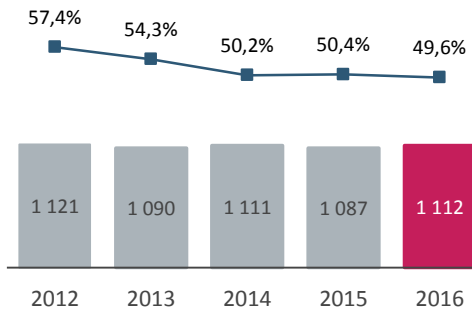
Net Commission Income (PLN million)



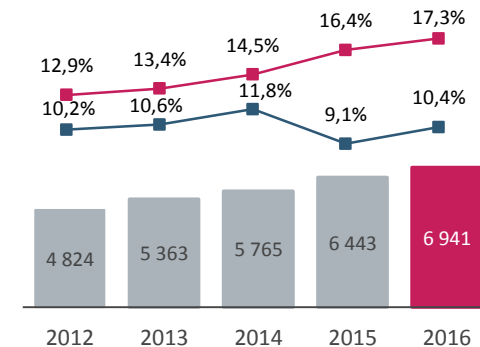
Operating Income (PLN million)



Costs & Cost/Income ratio (PLN million)



ROE & Capital (PLN million)



■ Operating Cost ■ Cost/Income ratio (recurrent)

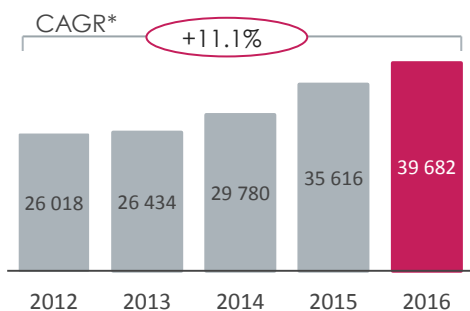
■ Shareholder Equity ■ ROE ■ CET1

(*) Compound average growth rate
(**) new regulations on insurance business

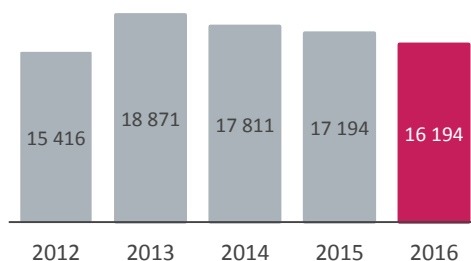
SUMMARY OF 2012-2016 ACHIEVEMENTS (2)

Strong growth of business volumes, especially in strategic areas ...

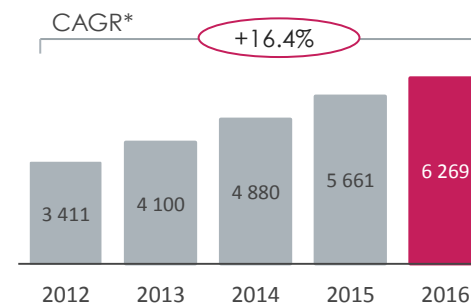
Deposits of Individuals (PLN million)



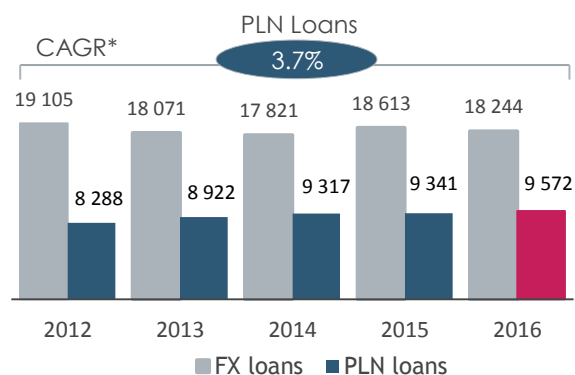
Deposits of Companies (PLN million)



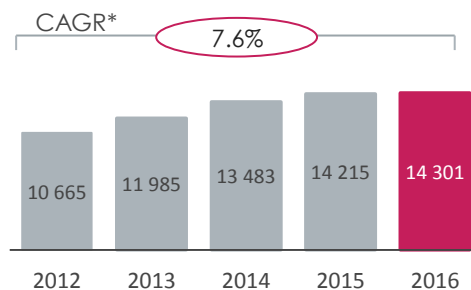
Consumer loans (PLN million)



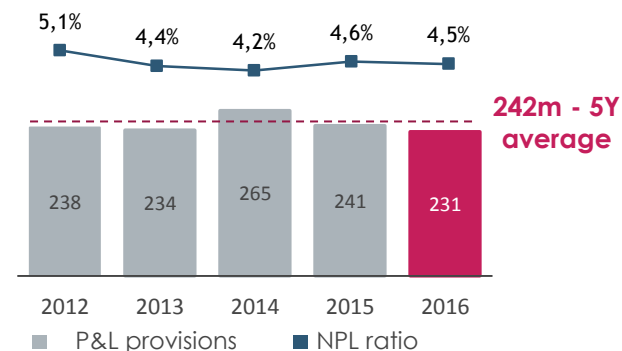
Mortgage Loans (PLN million)



Companies Loans (PLN million)



Provisions and NPL ratio (PLN million)

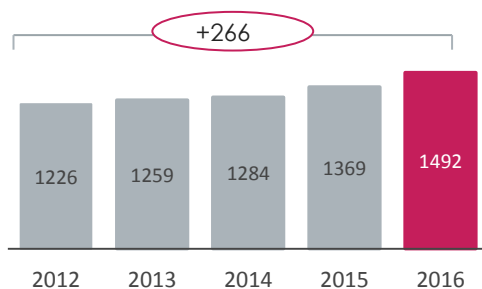


(*) Compound average growth rate

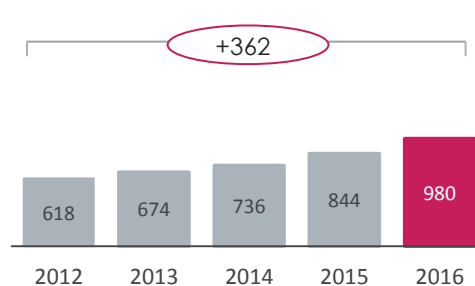
SUMMARY OF 2012-2016 ACHIEVEMENTS (3)

... aligned with jump in number of customers and accounts, supported by quality improvement and excellence in digital channels

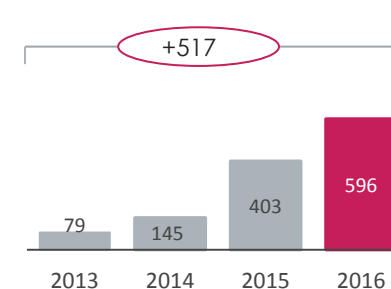
Number of Active Customers (thousand)



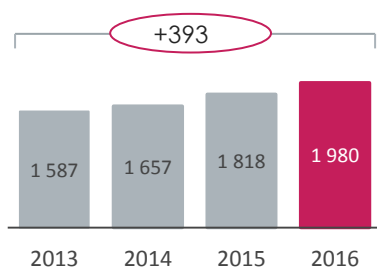
Number of e-Customers (thousand)



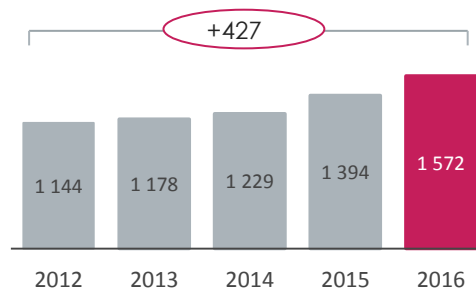
Number of Mobile Customers (thousand)



Number of current accounts (thousand)



Number of debit cards (thousand)



Ranking in quality



Numer 1 w Polsce



Millennium

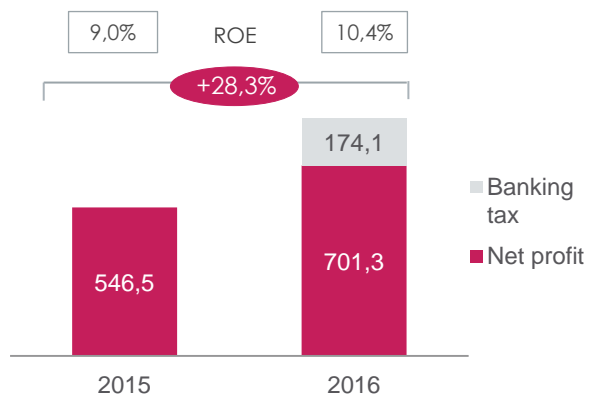
Among the top three banks since 2011

in "Friendly Bank – Retail Customers" annual ranking of best banks in Poland by **Newsweek** magazine

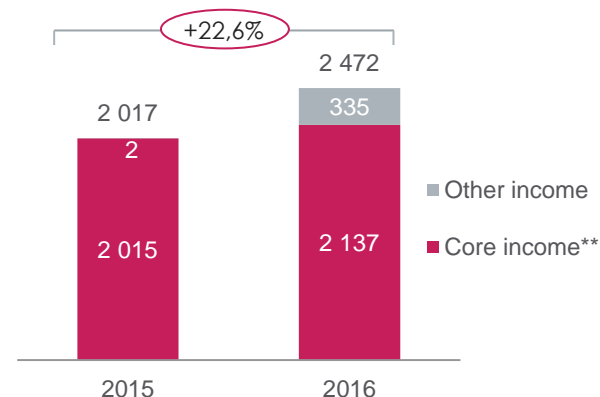
PROFITABILITY AND COST EFFICIENCY

Core income solid growth outperformed modest cost growth, which allowed Cost to Income to reach yearly lowest level below 50%

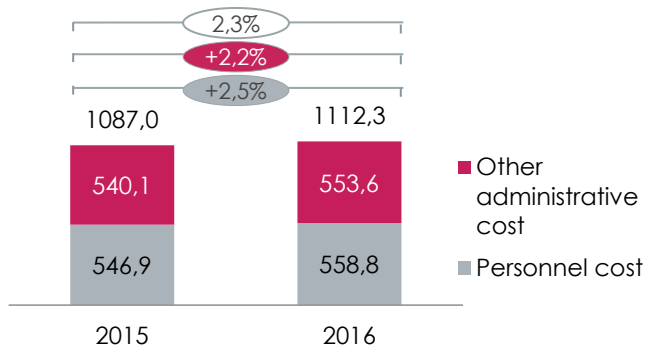
Net profit (PLN million)



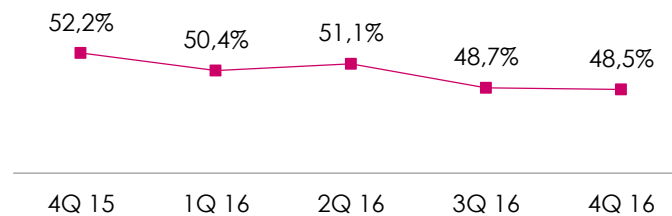
Operating income* (PLN million)



Operating cost (PLN million)



Cost/Income Ratio (without one-offs)



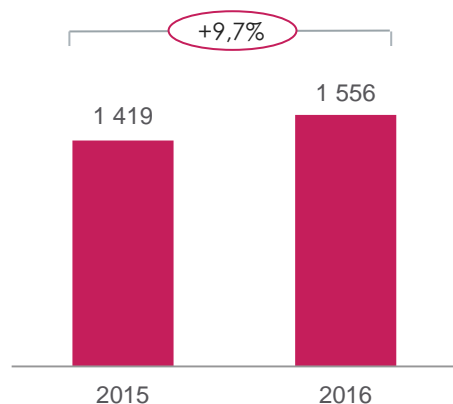
(*) Including net other operating income and cost
 (**) Net Interest Income + Net Commissions Income

INTEREST AND COMMISSION INCOME

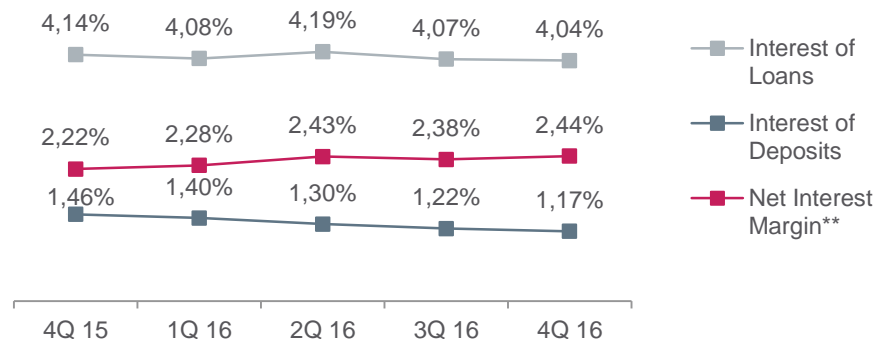
Strong growth of Net Interest Income by 10% thanks to margin improvement, mainly on deposits.
Fees recovered from the bottom reached in 1Q 2016

Net Interest Income *

(PLN million)

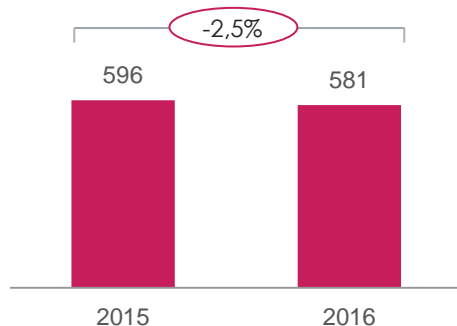


Interest on loans and deposit

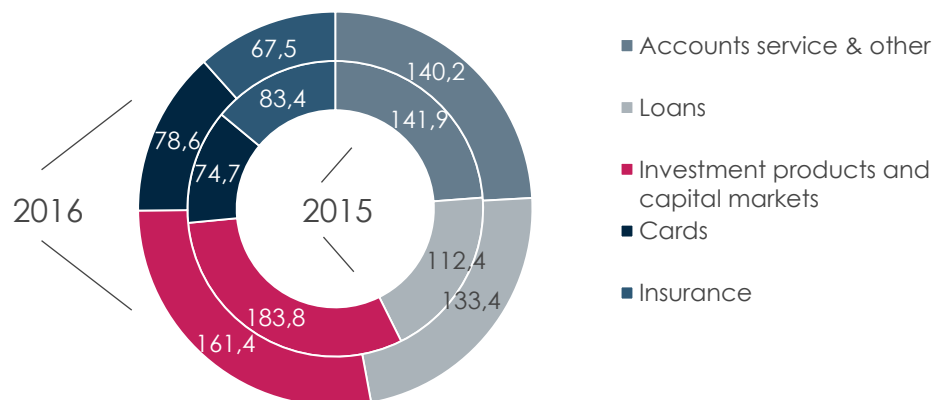


Net Commission Income

(PLN million)



Commission income structure

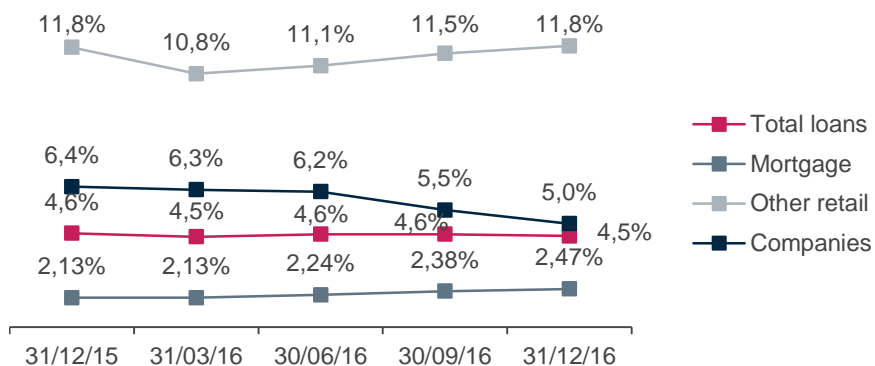


(*) Pro-forma data: margin from all derivatives hedging FX denominated loan portfolio is presented in NII, whereas in accounting terms part of this margin (PLN 50.6 million in 2016 and PLN 53.4 million in 2015) is presented in Result on Financial Operations
(**) Net Interest Margin: NII (pro-forma) to average interest earning assets

ASSET QUALITY AND COST OF RISK

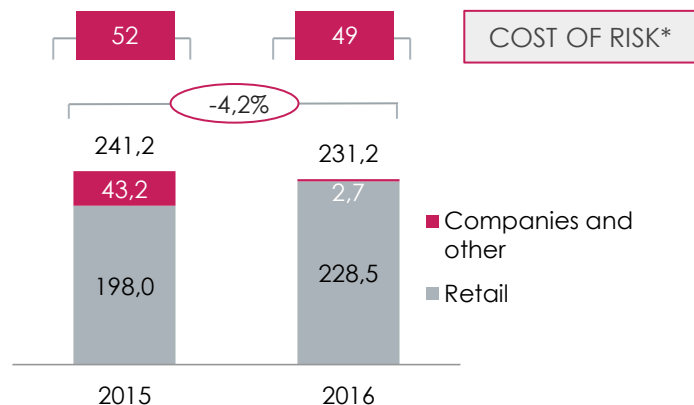
Good asset quality with significant improvement in corporate loans, reasonable cost of risk maintained, while capital position strongly improved

Impaired Loans

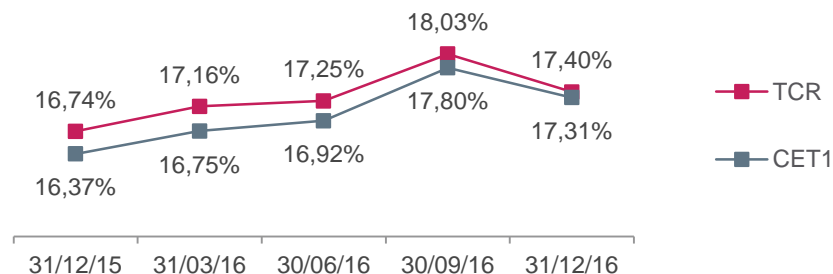


P&L impairment provisions

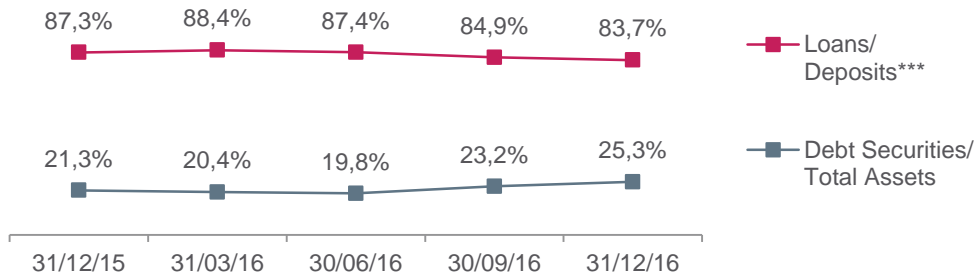
(PLN million)



Group Capital Ratios **



Liquidity indicators



(*) total provisions created (net) to average net loans in given period (in basis points, per annum)

(**) 1H 2016 profit fully recognized in 2016 capital ratios

(***) Deposits include Bank's debt securities sold to individuals and repo transactions with customers

PROPOSAL TO RETAIN 2016 PROFIT

Resolution no. 5

Bank Millennium has a dividend policy of distributing 35% to 50% of net profit as dividend.

However, following to the Polish Financial Supervision Authority (KNF) position* and taking into consideration additional capital requirements concerning FX mortgage loans for households and necessity of keeping level of other capital buffers, the Management Board of the Bank is proposing, with a positive opinion of the Supervisory Board, to retain entire 2016 profit of the Bank in the reserve capital.

Main indicators	Bank Millennium Group	Bank Millennium
Total Capital Ratio – on 31 Dec. 2016	17.4%	17.3%
Common Equity T1 ratio – on 31 Dec. 2016	17.3%	17.2%
2016 net profit (PLN thousand)	701 252	652 651
Allocation to Reserve capital (PLN thousand)	-	652 651 (100%)

BANK MILLENNIUM 2017

Outlook for the future – Main focus

