

Profit affected by integration and extra provisions

Bank Millennium Group reported consolidated 1Q20 net profit amounted to PLN18.1 million and was 89% lower than in the corresponding period last year. The results were burdened by a number of extraordinary items such as additional provisions against FX-mortgage legal risk (PLN55 million pre-tax/net), pre-emptive provision against expected Covid-19 pandemic impact (PLN60 million/PLN40 million) or costs of integration of Euro Bank (PLN30 million/PLN24 million). Furthermore, in 1Q20 the Bank booked a full annual Banking Guarantee Fund (BFG) resolution fee (PLN58 million, down 20% y/y) and quarterly charge for deposit guarantee fund of PLN27 million (up 132% y/y) so that the overall charge was comparable to this in the corresponding period the year before.

The reported results were not fully comparable in y/y terms, as the 1Q19 ones did not include results of Euro Bank (acquired on the 31st of May, 2019).

Main financial highlights in 1Q20

Return on equity (ROE) (*)	8.4%
Net interest margin (NIM) (for 1Q20)	2.81%
Cost/Income ratio (*)	48.3%
Loan/Deposit ratio	86%
Impaired loans ratio (stage 3 portfolio)	4.75%
Total Capital Ratio (TCR) (**)	19.5%
Common equity tier (CET 1)	16.5%

(*) without one-offs

(**) after incorporating 2H19 profit

Solid capital and lower regulatory buffer:

- KNF reduced FX mortgage related buffer to **4.9%** in Nov '19
- Systemic risk buffer cut to **0%** from 3% in Mar'20

Main business highlights in 2019

Deposits in retail	up 32% y/y
Consumer loans	up 94% y/y
Mortgage loans sales	up 57% y/y
Cash loan sales	up 31% y/y
Loans to companies	up 6% y/y
Deposits of companies	up 7.5% y/y

Euro Bank integration

Integration costs and capex incurred to date represent 73% of the overall plan. In 1Q20, the bulk of opex was HR related (PLN13.5mn provision for group redundancies, PLN10.5mn retention bonus).

Overall 2020 opex target is PLN58mn.

Synergies totalled PLN23.5mn in 1Q20 and are expected to increase in subsequent quarters with PLN100mn+ targeted in 2020 overall and PLN188mn in 2022.

Bank Millennium Group

Bank Millennium is a universal bank, offering a broad range of services to retail and corporate customers via a network of 799 branches (including 573 own branches and 226 franchise branches), and electronic banking channels. Bank Millennium is Poland's 7th* largest bank by assets.

It employs 8 412 people (FTEs).

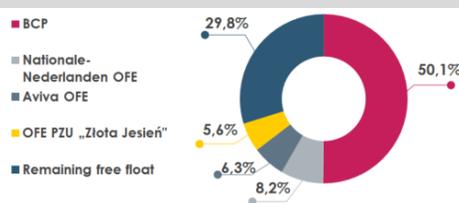
(*) Data as on 31.12.2019

Management Board

- Joao Bras Jorge – CEO
- Fernando Bicho – Deputy Chairman (CFO)
- Wojciech Haase – Board Member
- Andrzej Gliński – Board Member
- Wojciech Rybak – Board Member
- António Ferreira Pinto Júnior – Board Member
- Jarosław Hermann – Board Member

Shareholders structure

as on 31.12.2019



Bank's current rating

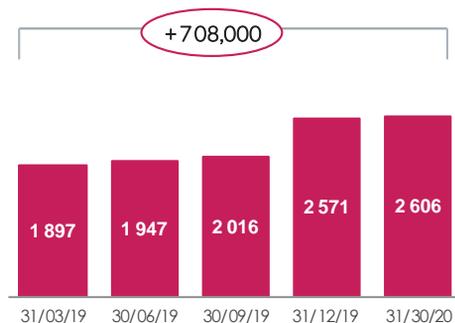
Moody's	Baa1 / P2 / baa3 / stable outlook
Fitch	BBB- / F3 / bbb- / stable outlook
Capital Intelligence	BBB/A3/BBB / stable outlook

Bank's shares

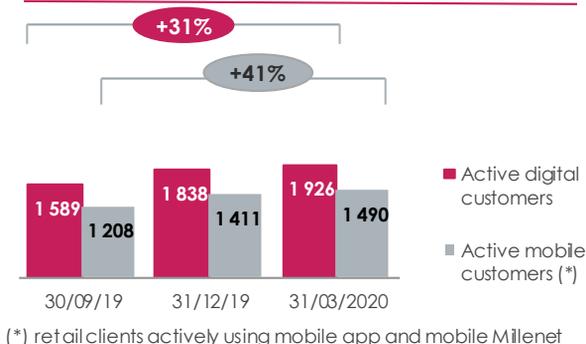
No of shares	1 213 116 777
WSE Ticker	MIL
ISIN	PLBIG0000016
Bloomberg	MIL.PW
Reuters	MILP.WA
Indices	WIG, WIG 30, mWIG40, WIG Banks, WIG-ESG

2.6 million active clients 708,000 new clients after 1 year including 494k taken over from Euro Bank

Active retail clients (in thousand)



Active digital and mobile clients (in thousand)



Support for clients during COVID-19 epidemic

Retail clients:

- **Credit holidays** – temporary deferral of principal and interest instalments
- **remote process of application for credit holidays** (Milenet, TeleMillennium), without necessity to visit branch
- **dedicated sub-internet site to credit holidays** – all necessary information, example of simulation of cost comparison, conditions to apply, required documents
- **simulator of credit holiday costs** available through Telemillennium and Millennium branches – which allows clients to obtain information about costs of credit holidays prior taking the decision to apply

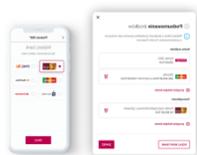
Micro-companies and corporate customers:

- **Application for PFR financial support** (subsidy with redemption possibility) in Milenet for micro business and SMEs
- **Temporary suspension of loan instalments**, including factoring, leasing and charge cards for all companies
- Quick and simplified mode of credit renewal for SME and large companies
- BGK guarantees under new, more favorable conditions for micro business and SME (de minimis guarantee)
- Loans supported by BGK Liquidity Guaranties Fund for medium and large companies
- Remote signing of all agreements for SMEs and large companies

Recent innovative solutions

Finance 360°

Bank Millennium is the first bank in Poland to launch a service where the bank's customers can use the Milenet Internet system to send transfers from their accounts in other banks



Account opening with a selfie

Bank Millennium has introduced the opportunity to open a personal account remotely with client's identity confirmation using Personal ID and face photos



Remote signing of agreements in Bank Millennium's corporate banking

Bank Millennium has launched the possibility for corporate banking customers to sign agreements fully remotely.



Bank Millennium Investor Relations

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Next events:

23.07.2020 - Publication of the report for 1 half 2020

27.10.2020 - Publication of the report for 3Q 2020



www.bankmillennium.pl



Kanał na YouTube



Twitter: [@BankMillennium](https://twitter.com/BankMillennium)

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