

Solid operational profitability affected by one-offs

Bank Millennium consolidated non-audited net profit of 2019 amounted to PLN **561 million** and was 26% lower versus net profit in 2018. The results were influenced by several extraordinary items. The most important was acquisition of Euro Bank. It brought additional on-going results during 7 months but also triggered extraordinary costs and provisions in total amount of PLN 205 million (PLN 166 million after tax). PLN 223 million provision on FX mortgage related legal risk created in 4Q was the second biggest extraordinary item. There were also PLN 27 million gain from tax asset recovery in 1Q and PLN 45 million capital gain on equity holdings in PSP company.

When adjusting for all these extra costs and gains, the adjusted net profit would have reached PLN **889 million** meaning a strong **17% growth** versus PLN 761 million net profit reached in 2018 year.

Main financial highlights in 2019

Return on equity (ROE) (*)	10.2%
Net interest margin (NIM) (for 4Q19)	2.94%
Cost/Income ratio (**)	47.4%
Loan/Deposit ratio	86%
Impaired loans ratio (stage 3 portfolio)	4.6%
Total Capital Ratio (TCR) (*)	20.1%
Common equity tier (CET 1)	16.9%

(*) without one-offs

(**) without one-off income

High asset quality and liquidity kept

Main business highlights in 2019

Deposits in retail		up 28% y/y
PLN mortgage loans		up 58% y/y
Mortgage loans sales	4.2 bn PLN	up 26% y/y
Cash loan sales	4.1 bn PLN	up 28% y/y
Loans to companies		up 7% y/y
Deposits of companies		up 10% y/y
Factoring turnover		up 6.5% y/y
Leasing sales		flat y/y

FX mortgage loans legal risk

- PLN 223 million provision for legal risk connected with FX mortgage loans in 4Q
- Pillar 2 Capital Buffer specifically assigned to FX mortgage loans risks in the amount of PLN 1.85 bn
- Constructive approach and risk mitigation actions in place for several years

Bank Millennium Group

Bank Millennium is a universal bank, offering a broad range of services to retail and corporate customers via a network of 830 branches (including 602 own branches and 228 franchise branches), and electronic banking channels. Bank Millennium is Poland's 7th* largest bank by assets.

Employs 8 464 people (FTE).

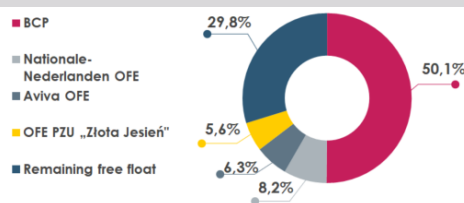
(*) Data as on 30.09.2019

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

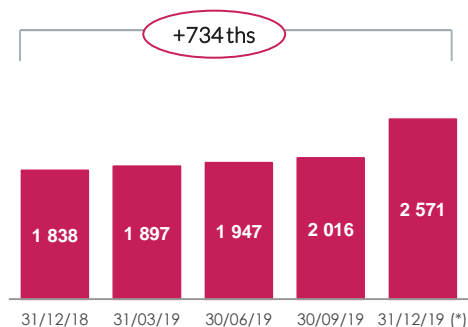
Moody's	Baa1/ P2/ baa3 / stable outlook
Fitch	BBB- / F3/ bbb- / stable outlook
Capital Intelligence	BBB/A3/BBB / stable outlook

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

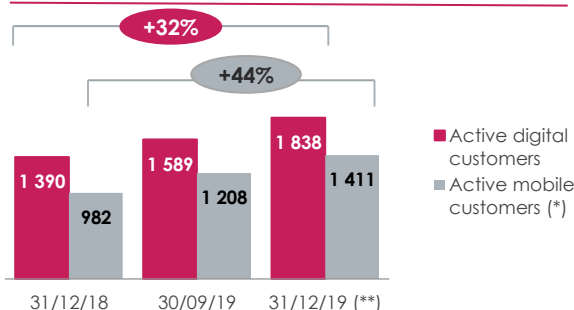
2.6 million active clients active clients (40% y/y), thanks to Euro Bank merger (+494k) and organic growth (+240k)

Active retail clients (in thousand)



(*) data with ex Euro Bank clients

Active digital and mobile clients (in thousand)



(*) retail clients actively using mobile app and mobile Millenet
(**) data with ex Euro Bank clients

Acquisition of Euro Bank

One of the fastest and smoothest mergers on Polish market ended on November 11th 2019

Transaction Agreement

Closing

Legal merger

Operational merger

Day 0 (5 November 2018)

Day 1 (31 May 2019)

Day 2 (1 October 2019)

Day 3 (11 November 2019)

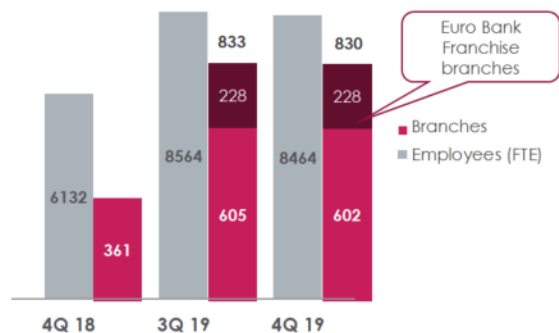


- One owner
- Two legal entities
- Two brands
- Two systems

- One owner
- One legal entity
- Two brands
- Two systems

- One legal entity
- One Brand
- One system

Synergies to be relevant from 2020 onwards



Euro Bank Franchise branches

Initial plan to close 60 branches in 2020 and reduce 260 FTE in 1Q

Synergies will start to be visible in 2020: above PLN 100 million

Bank Millennium Investor Relations

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14.02.2020 - Publication of annual report for 2019

11.05.2020 - Publication for 1Q 2020 report

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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