

Millennium
bank

Presentation
4Q20/2020
results



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.

Financial data presented hereby is on consolidated Bank Millennium Group level.

Euro Bank related financial data is presented as follows: P&L items for the last 7 months of 2019, in the balance sheet at the end of June and December 2019 and in sales data as indicated on the charts.

The data is based on published financial reports with two pro-forma adjustments:

- 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 assets and liabilities held for trading. As this hedge accounting relationship changes through time and does not necessarily include the entire portfolio of FX, Currency and 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.
- According to current understanding of IFRS9 standard, small part of credit portfolio is fair valued through P&L. As fair value adjustment of this portfolio has similar economic effect to impairment adjustment, in this presentation it was excluded from Total Operating Income and added to cost of risk line.

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.

AGENDA



Covid-19
impacts and the
Bank's response

01

Euro Bank
integration and
further
efficiency
improvements

02

Financial
performance

03

Business
development

04

Appendices

05

01



PRESENTATION OF 2020 RESULTS

Covid-19 impacts and the
Bank's response

BANKING IN COVID-19 PANDEMIC AND ADJUSTMENT TO 'NEW NORMAL'

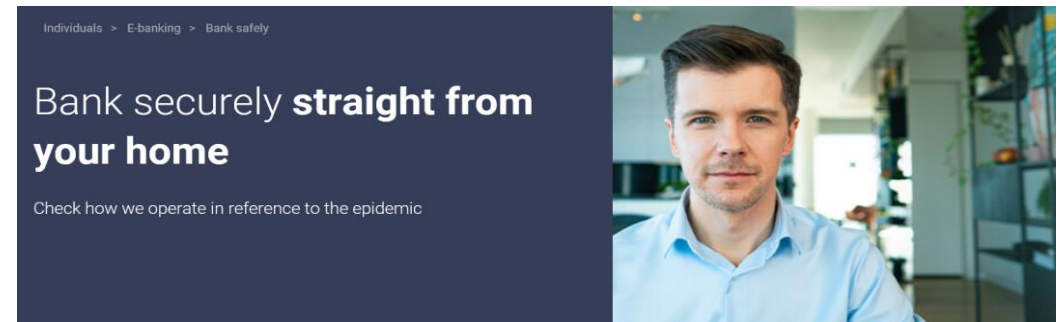
We supported our clients and employees during the pandemic

Support for customers:

- Contactless card transactions up to PLN100 without PIN
- Most transactions can be done safely and remotely from home
- Fully online current account opening with the use of selfie
- Implementation of new application for Good Start benefit programme
- Dedicated website and banner communication on the portal
- Personalized campaigns; SMS message, PUSH, Inbox in Millenet and mobile app, context messages in the system and on the website
- Credit holidays and online cash loans sales
- Online tracking of mortgage application
- Access to PUE ZUS platform allowing access of tourist vouchers
- Increasing share of electronic signage in processes in corporate banking

Flexible reaction to changing pandemic conditions:

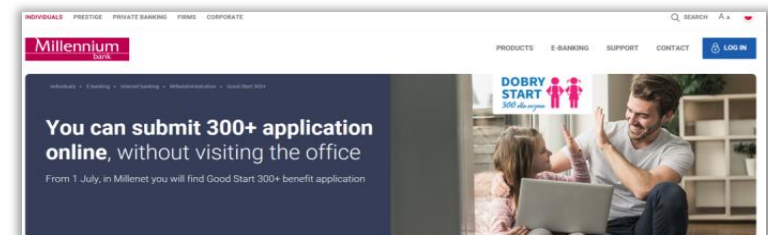
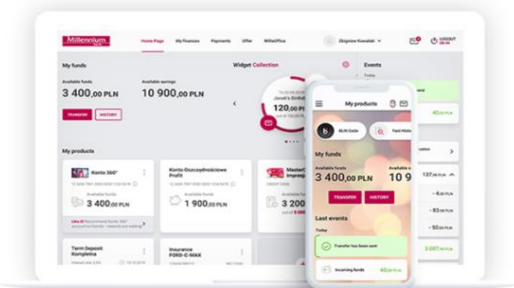
- HQ presence cut to 33% on a rotational basis since August 31 and further limitations introduced in mid-October
- Branch network returned to normal functioning while protection measures/procedures were maintained in full; min-branches at shopping malls partly closed due to government restrictions



You can do so much **without leaving your home**

Remember that in Millenet and mobile app you will make most transactions safely and remotely

- ✓ Bank Millennium mobile app and Millenet online banking system are available 24/7
- ✓ you can sort out many administrative matters through Millenet online banking system in MilleAdministration tab
- ✓ pay for online shopping and in a stationary store make contactless payments by phone or card



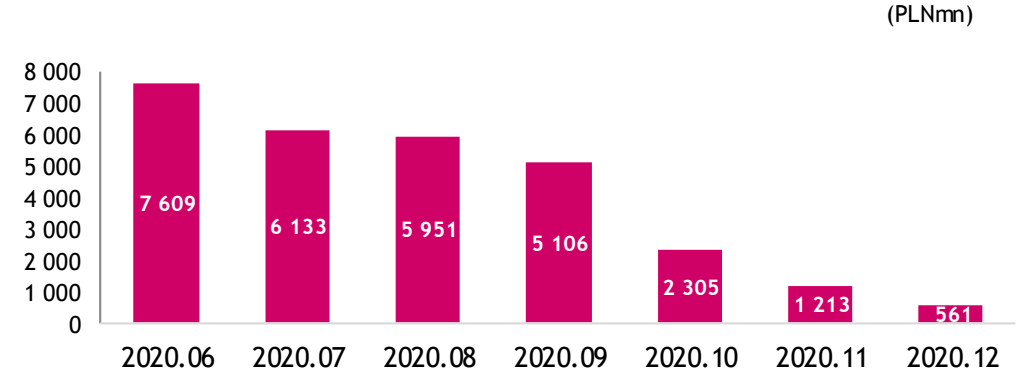
BANK MILLENNIUM'S SUPPORT FOR CLIENTS AMIDST COVID-19 PANDEMIC

Temporary credit holidays

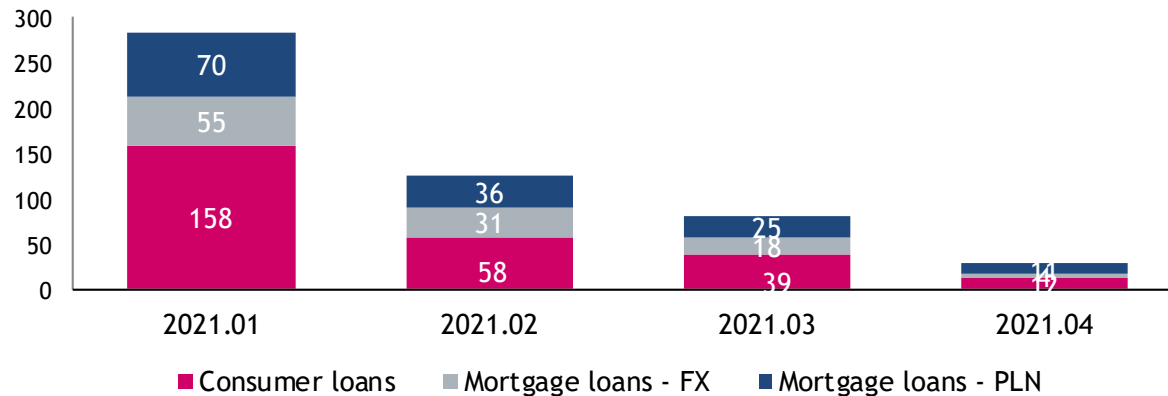
Loans exposure with active credit holidays as on December 31, 2020

Category	Exposure [PLNmn]	% of outstanding
Retail o/w:	517	0,9%
Mortgage loans - foreign currency	108	0,7%
Mortgage loans - PLN	142	0,5%
Consumer loans	267	1,6%
Corporate	5	0,0%
Millennium Leasing	39	0,6%
Total	561	0,7%
Of which public moratoria	53	0.1%

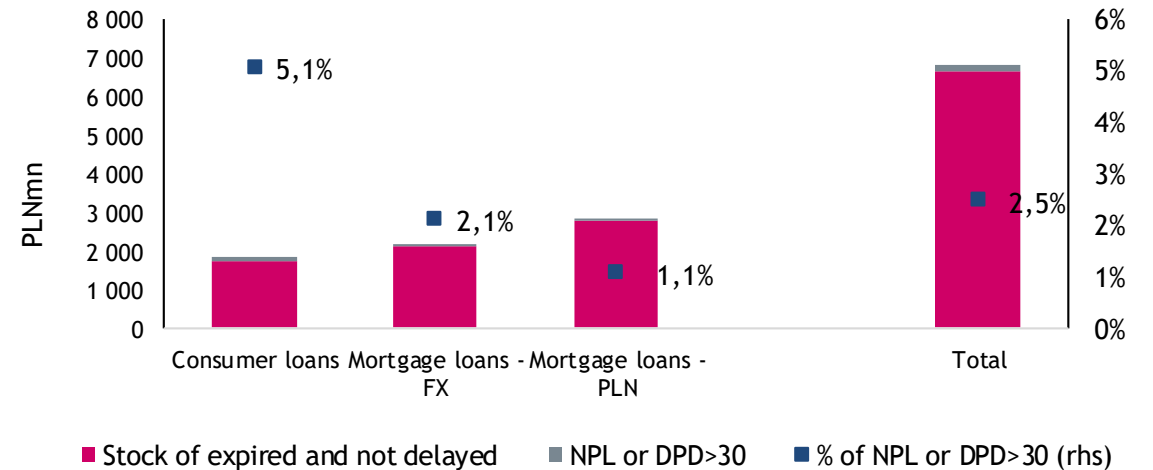
Portfolio with active credit holidays



Retail portfolio with active credit holidays by expiry date



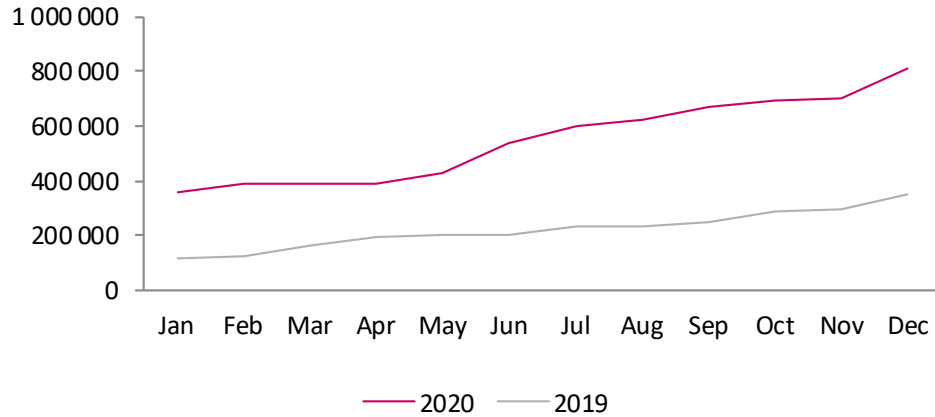
Quality of expired credit holidays



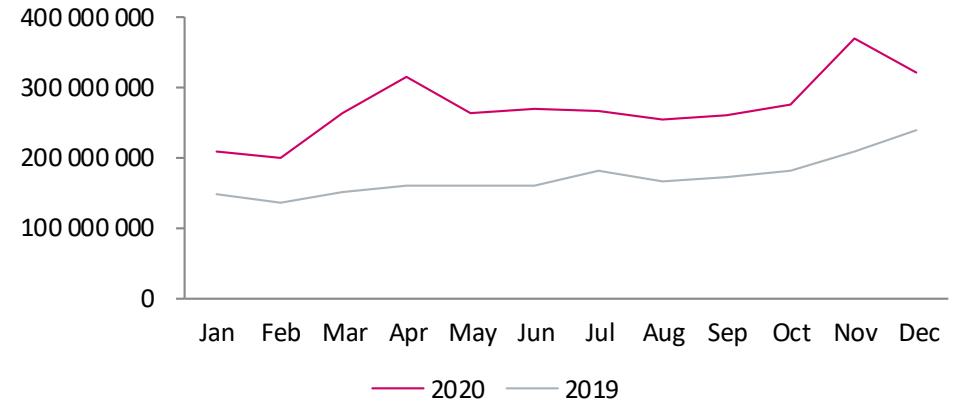
BANK MILLENNIUM'S SUPPORT FOR CLIENTS AMIDST COVID-19 PANDEMIC

E-payments returned to steady uptrend after trading/movement restrictions in the early stage of the pandemic

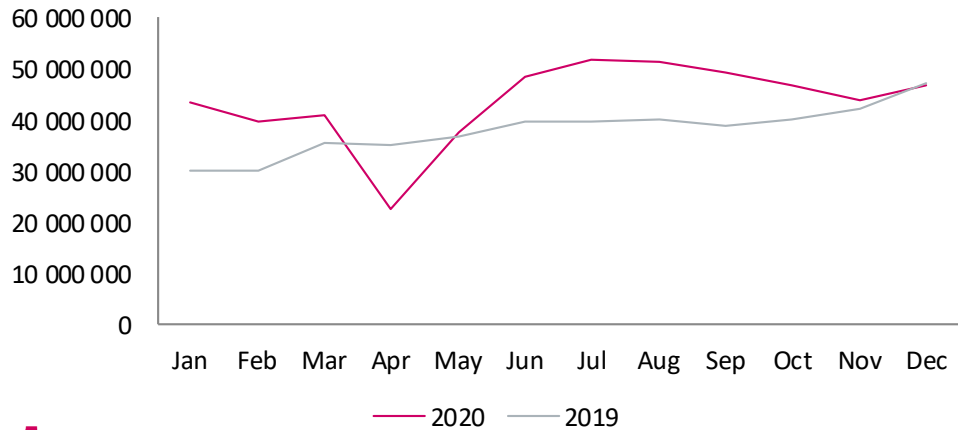
BLIK P2P - number of transactions



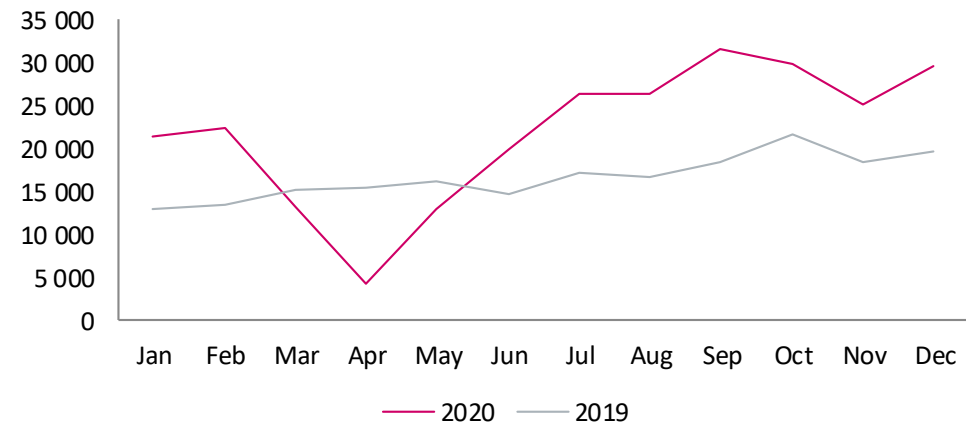
PayByLink - the total amount of the transactions



Debit cards - number of transactions

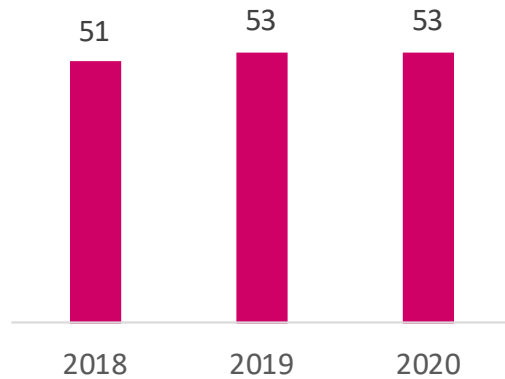


MoBilet parking tickets - number of transactions



CUSTOMERS' SATISFACTION, LOYALTY AND SERVICE QUALITY REMAIN STABLE

Retail NPS (1)



XXV
Ranking Banków
Miesięcznika Finansowego BANK
2020



Market rankings

2020

Customer choice -
general classification (2) 1st

Best quality (branch) (3) 1st
league

Best quality (remote) 1st
league

Relationship star (4) 2

Bank appreciated by
customers - satisfaction (6) 3

Bank appreciated by
customers - loyalty (6) 2

Bank appreciated by
customers - NPS (7) 3



Recommendation and satisfaction scores remain stable in most segments. COVID-19 has marginal impact on Customers' bank evaluation. Customers appreciate using digital channels during pandemic. Human service is the biggest CX driver.



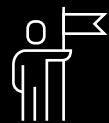
Bank Millennium won first prize in European Centricity Awards 2020 in Customer complaints category



2021 - A TRANSITION YEAR BEFORE NEW STRATEGY ROLL-OUT



**Quick
recovery of
business
results**



**Focus on
operational
efficiency**



**Full
digitalisation**



- ↘ Improvement of business results through better pricing and sales increase in core products
- Double-digit growth of cash loan sales
- Mortgage sales above PLN7bn
- Corporate loan book growth >PLN1.1bn



- ↘ New operational efficiency program: Processes Re-engineering, automatisisation, standardisation and simplification
- # radical productivity
- Fine-tuning of branch network after 21% reduction in 2020
- C/I of c.a. 47%



- ↘ Extending digital customer base beyond current age segments
- Exceeding 80% digital clients by the end of YE21
- 80% end-to-end sales processes coverage on digital platforms
- Keeping top-notch customer digital experience



PRESENTATION OF 2020 RESULTS

**Euro Bank integration and further
efficiency improvements**

EB INTEGRATION AND FURTHER OPERATIONAL EFFICIENCY IMPROVEMENTS

Tangible and recurrent cost synergies achieved ahead of plan

(PLNmn)

Integration costs and synergies	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	3Q20	4Q20	FY20
Integration costs*	-2.0	-17.8	-44.3	-52.2	-116.3	-30.1	-5.2	-17.3	-14.3	-66.9
- o/w depreciation	-	-	-	-0.8	-0.8	-0.4	-0.5	-0.7	-0.7	-2.3
Additional provisions on Euro Bank portfolio**	-	-80.6	-8.0	-	-88.6	-	-	-	-	-
Total impact (pre-tax)	-1.9	-98.4	-52.3	-52.2	-204.9	-30.1	-5.2	-17.3	-14.3	-66.9
Synergies	-	-	-	23.4	23.4	25.0	37.1	48.1	57.3	167.6
Net impact (pre-tax) ***	-1.5	-79.7	-42.4	-23.2	-146.9	-5.1	31.9	30.8	43.1	100.6

↙

Integration costs | Will stay clearly below the plan (incurred to date represent 88% of the plan)

Net synergies in a steady uptrend | with FY20 result > PLN100mn, above the plan, and 2021 expected to bring 2x higher result

FY20 synergies above the plan

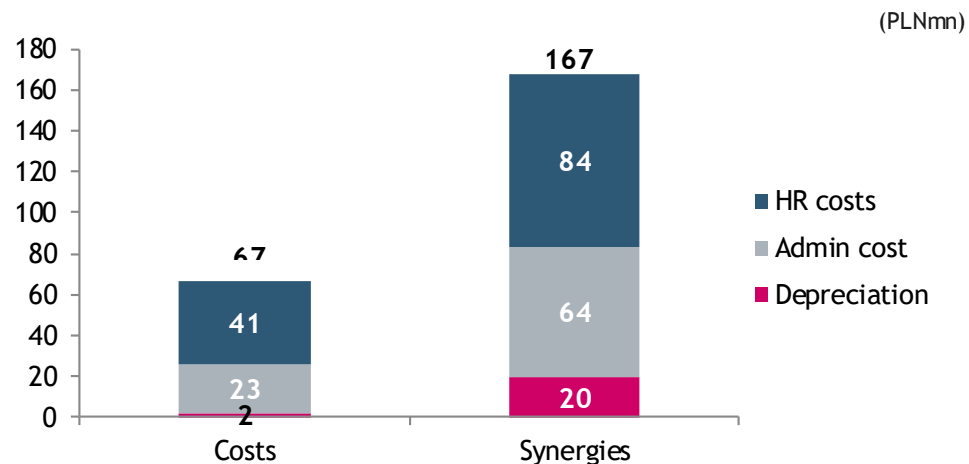


(*) Costs: P&L OPEX directly related to Euro Bank acquisition, merger and integration. Expenses: additionally there was a PLN7mn PPA adjustment, while capex totalled PLN33mn in 2019; (**) 12-month expected credit loss (ECL) estimated on fair value of loan portfolio in accordance with IFRS 9 (on D1 in 2Q19) plus extra provisions on normal loans being subsequently reclassified after D1; (***) net of tax in 2019

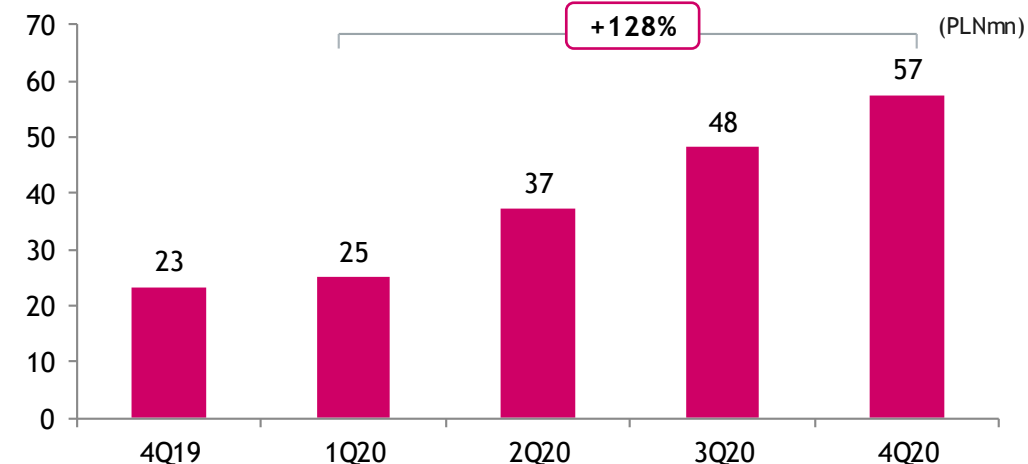
OPERATING EFFICIENCY IMPROVEMENTS

Net synergies expected to double in 2021

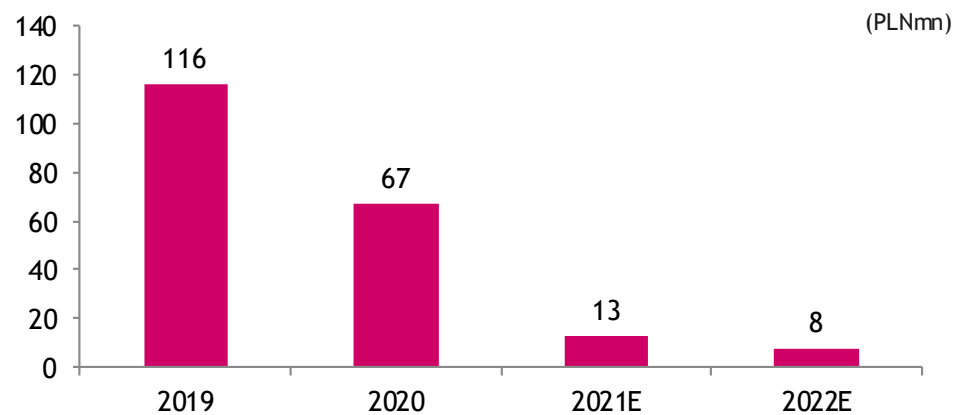
2020 integration costs and synergies (pre-tax)



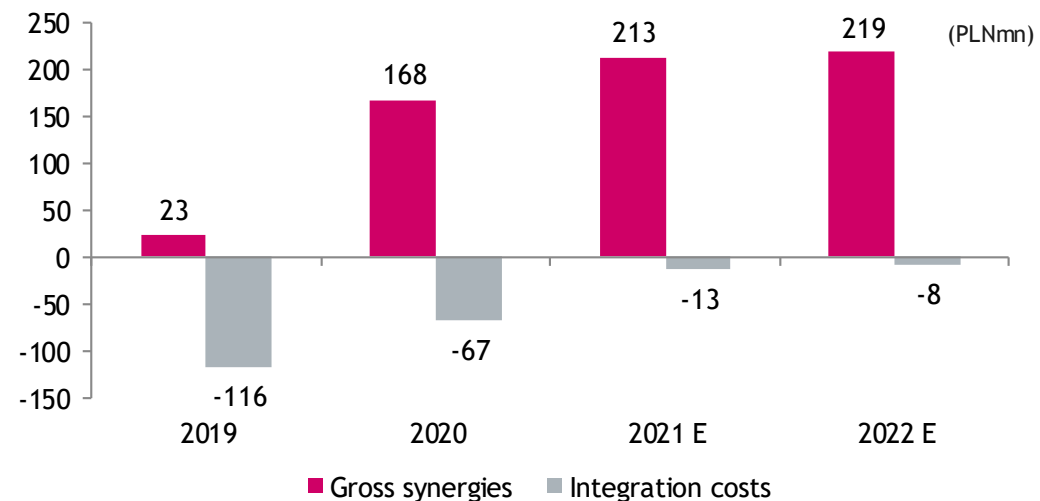
Gross synergies (pre-tax)



Integration costs (pre-tax)

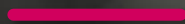


Targeted gross synergies and integration costs (pre-tax)





03



PRESENTATION OF 2020 RESULTS

Financial performance

KEY PROFIT & LOSS ITEMS

PLNm	2020	2019	Change Y/Y	4Q20	3Q20	Change Q/Q
Net interest income	2 583.1	2 499.4	3.3%	624.6	628.6	-0.6%
Net commission income	746.1	699.2	6.7%	192.7	179.8	7.2%
Total operating income	3 577.8	3 471.5	3.1%	909.5	887.2	2.5%
Total costs	-1 752.8	-1 726.1	1.5%	-417.7	-412.1	1.4%
<i>Costs without EB integration and BFG</i>	-1 519.5	-1 489.6	2.0%	-377.2	-367.5	2.6%
Loan loss provisions (incl. Covid-19)	-621.3	-439.0	41.5%	-165.4	-156.3	5.8%
FX mortg. legal risk provisions	-713.6	-223.1	219.8%	-415.9	-129.7	220.8%
Banking tax on assets	-279.1	-248.0	12.6%	-70.1	-67.8	3.4%
Net profit	22.8	560.7	-95.9%	-109.1	60.1	-281.3%
<i>Net profit without extraordinary items*</i>	709.5	921.1	-23.0%	203.5	179.4	13.5%
NIM	2.61%	2.84%	-0.23 pp	2.53%	2.49%	0.04 pp
Cost/Income reported ytd	49.0%	49.7%	-0.7 pp			
Cost/Income adjusted (*) ytd	46.7%	46.9%	-0.2 pp			
Cost of risk ytd	83 bp	68 bp	+15 bp			
ROE ytd	0.2%	6.4%	-6.2 pp			
ROE adjusted (*) ytd	7.8%	10.6%	-2.8 pp			



(*) Extraordinary items

KEY PROFIT & LOSS ITEMS

PLNm	Dec. 20	Dec. 19	Change Y/Y	Sept. 20	Change Q/Q
Active customers (ths)	2 633	2 571	62	2 631	2
incl. on-line and mobile	2 053	1 838	215	2 022	31
Customer funds	90 264	90 295	0.0%	94 133	-4.1%
Deposits	81 511	81 455	0.1%	85 852	-5.1%
Deposits of individuals	61 875	61 092	1.3%	61 933	-0.1%
Loans	74 088	69 615	6.4%	72 590	2.1%
FX mortgage loans excl. EB	13 140	13 493	-2.6%	13 515	-2.8%
Loans without FX mortgage	59 960	55 151	8.7%	58 084	3.2%
L/D	90.9%	85.5%	5.4 pp	84.6%	6.6 pp
Impaired loan ratio (*)	4.95%	4.6%	0.4 pp	4.7%	0.3 pp
Coverage ratio	65.7%	62.5%	3.2 pp	68.0%	-2.3 pp
CET1 = T1	16.5%	16.9%	-0.4 pp	17.0%	-0.5 pp
TCR	19.5%	20.1%	-0.6 pp	20.0%	-0.5 pp



*) stage 3 and POCI loans share in gross total loans

FINANCIAL HIGHLIGHTS OF 4Q20/2020

Lower interest rates and extraordinary items taking a toll on the results

4Q20

NII stable, NIM up

+4bp q/q

Fees up

+7% q/q

HR costs down

-10% q/q

2020

Revenues up y/y

+3%

Costs only marginally up

+2%

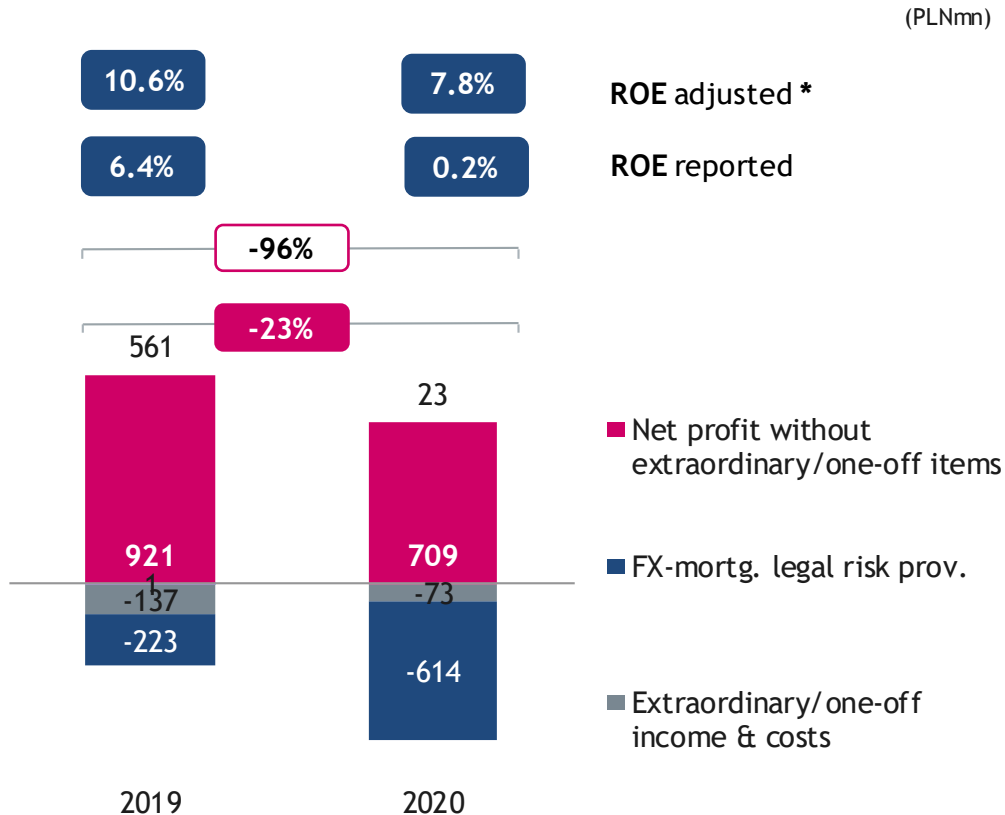
Provision coverage up

DPD90+ 119%

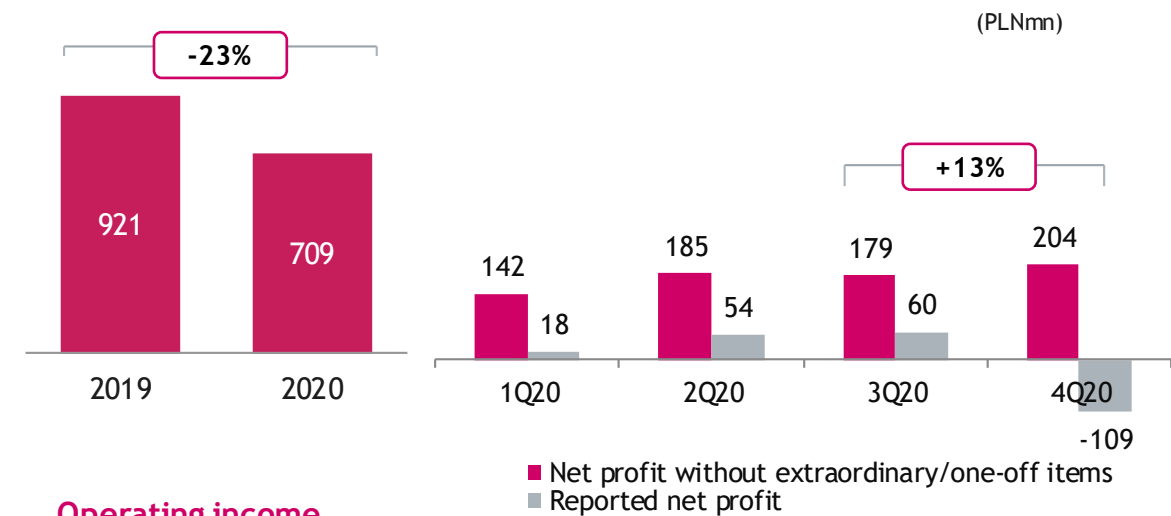
FINANCIAL HIGHLIGHTS OF 2020

Without Euro Bank integration cost and extraordinary items, 2020 ROE at 7.8%; operating income up 3% y/y

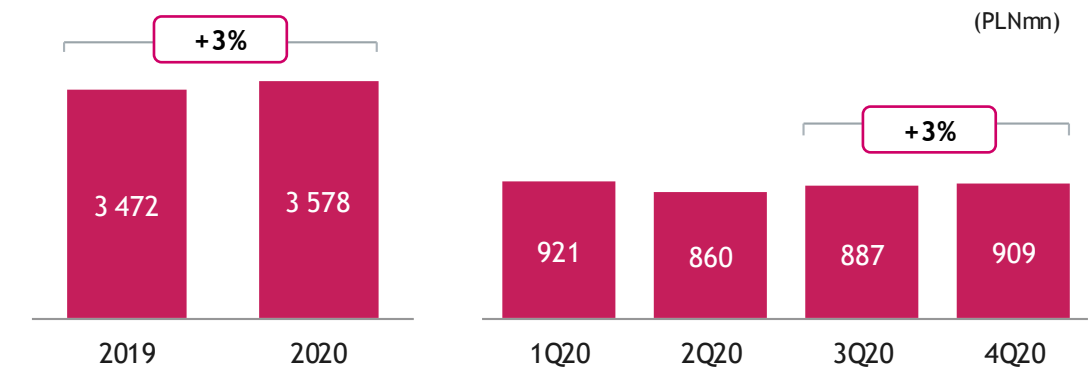
Net profit ytd



Net profit w/o extraordinary items



Operating income

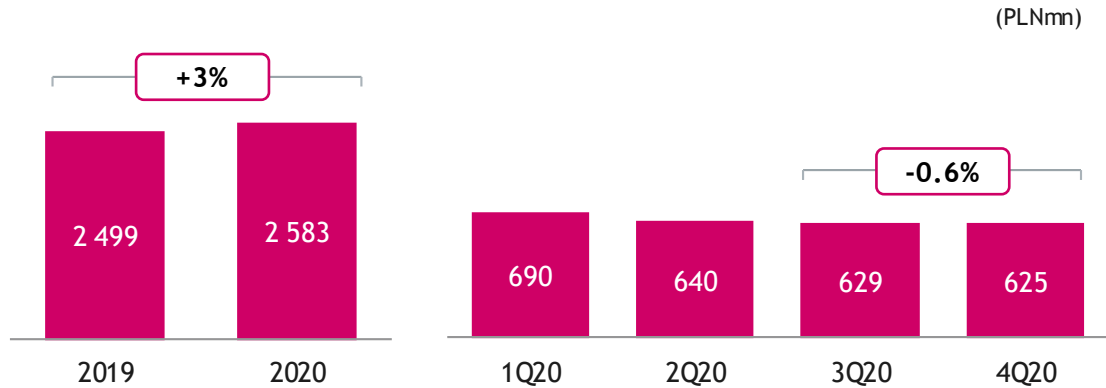


(*) Extraordinary items

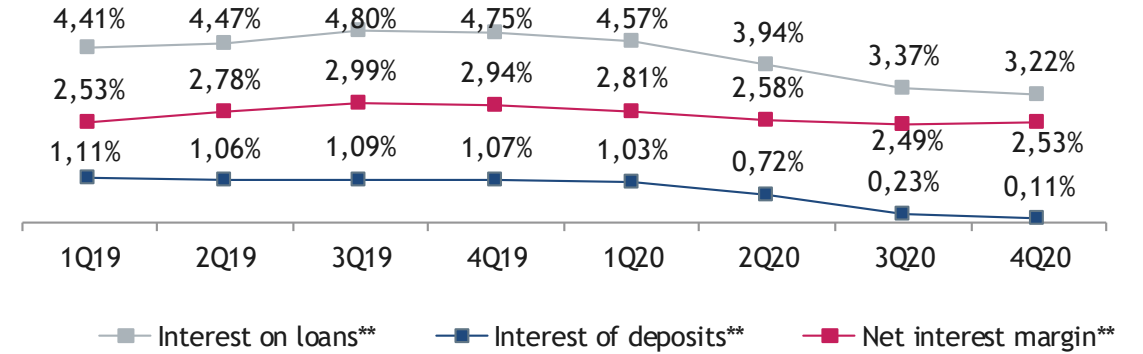
INTEREST AND COMMISSION INCOME

2020 NII up 3% y/y; net fees up 7% y/y

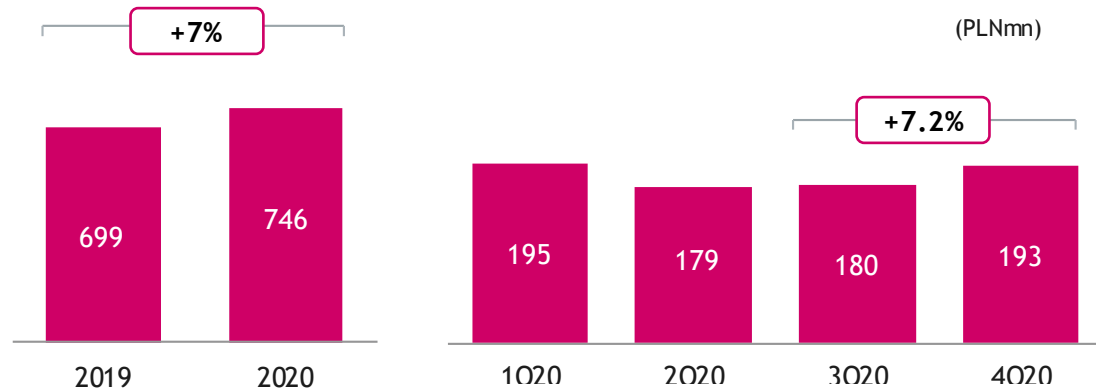
Net interest income *



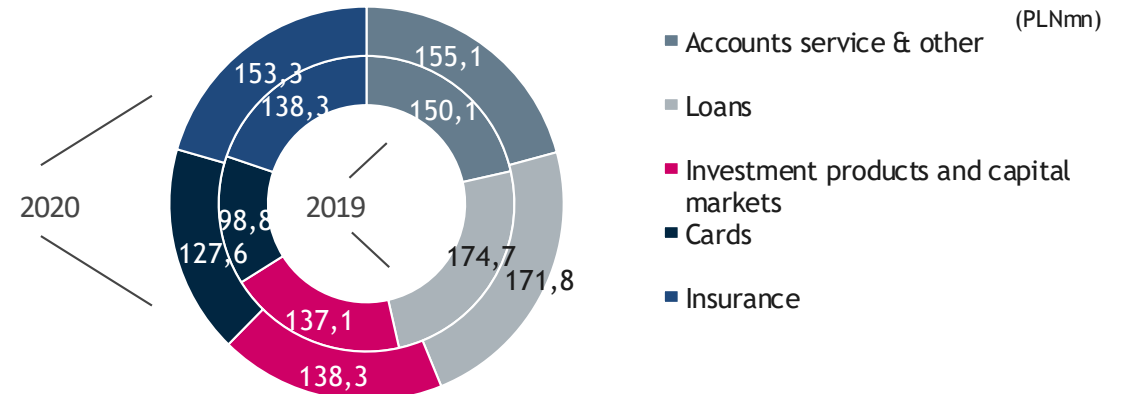
Interest on loans and deposit (quarterly average)



Net fees



Fee income structure

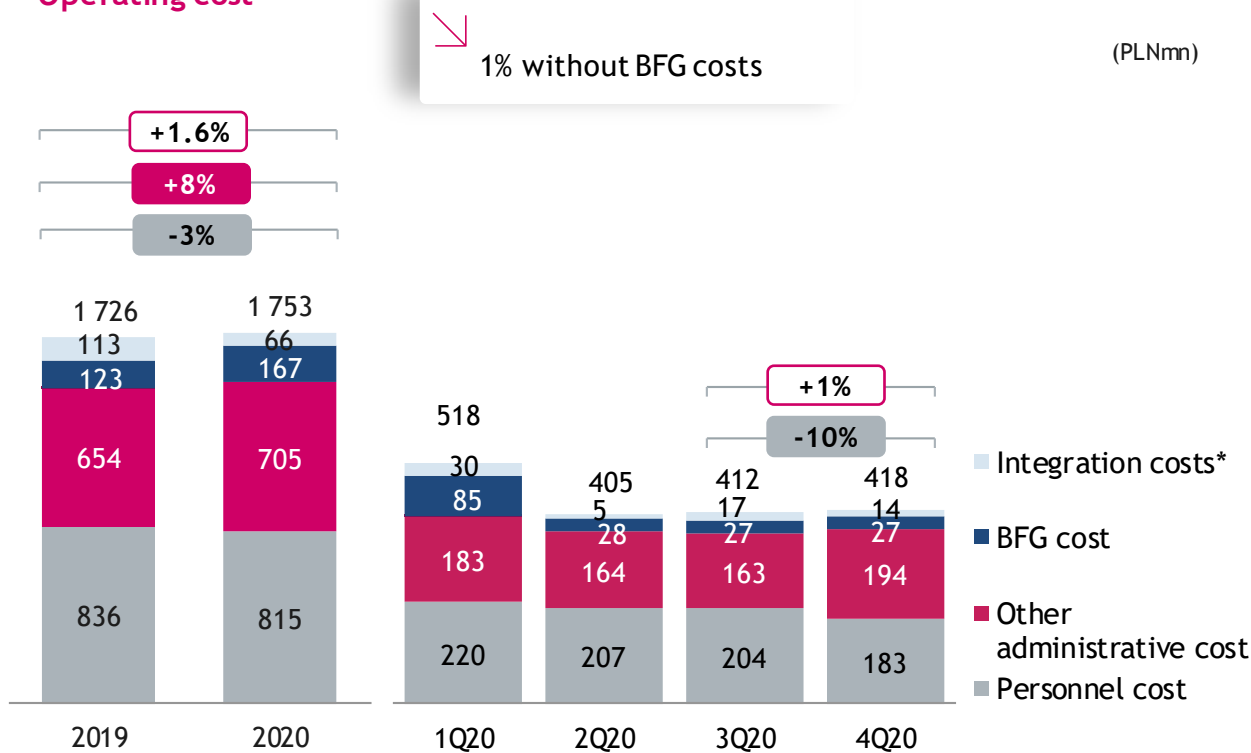


(*) Pro-forma data: margin from all derivatives hedging FX loans is presented in NII, whereas in accounting terms part of this margin (PLN34.5mn in 2020 and PLN62.5mn in 2019) is presented in results on financial assets and liabilities held for trading (** including Euro Bank since 1st June 2019, NIM and loans yield include interest from swaps

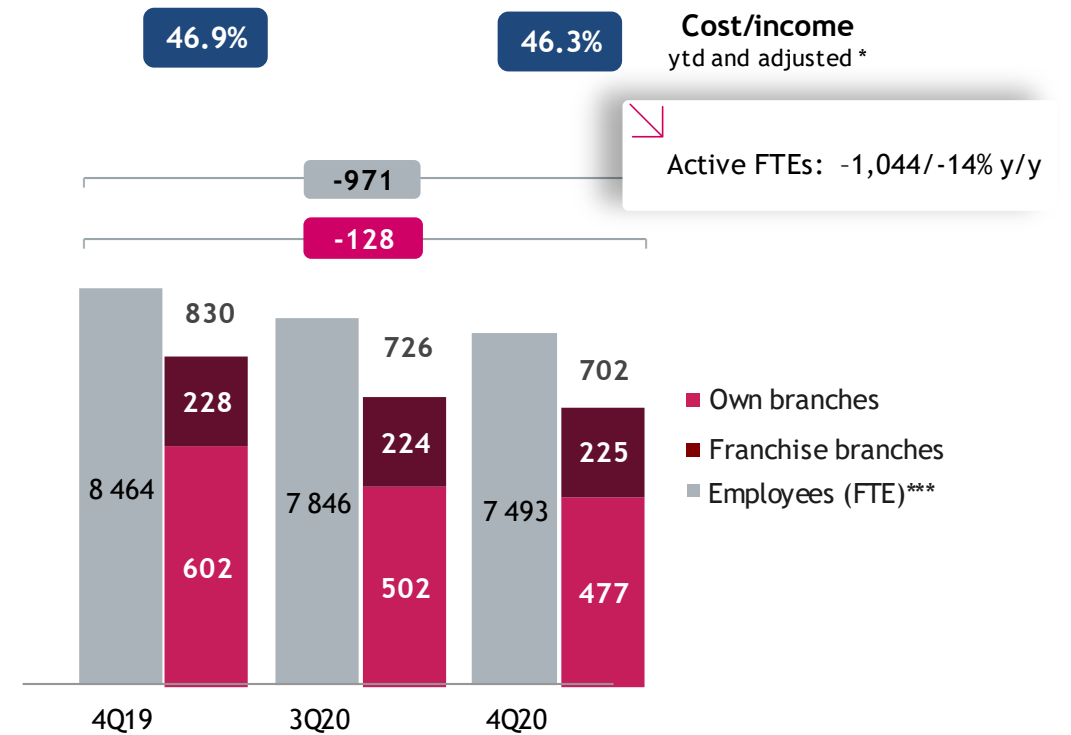
COST EFFICIENCY

Costs without BFG decreased -1% y/y. Decreasing staff costs especially in 4Q (-10% q/q)

Operating cost



Cost/ income, branches and staff



(*) additional administrative costs directly related to Euro Bank acquisition, merger and integration process (PLN113mm in 2019 and PLN66mm in 2020, of which PLN41.4mm for staff restructuring)

(**) without one-off income and integration costs

(***) number of active employees 6,602 at YE20, down 14% y/y

ASSET QUALITY

Stable credit quality in retail, deterioration in corporate due to specific cases moved to stage 3

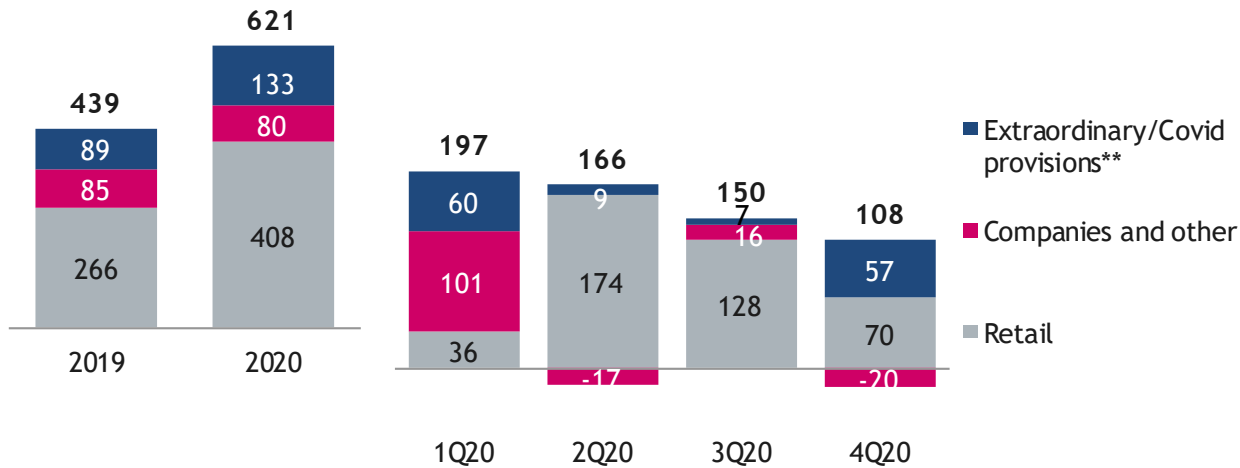
Cost of risk

(PLNmn)

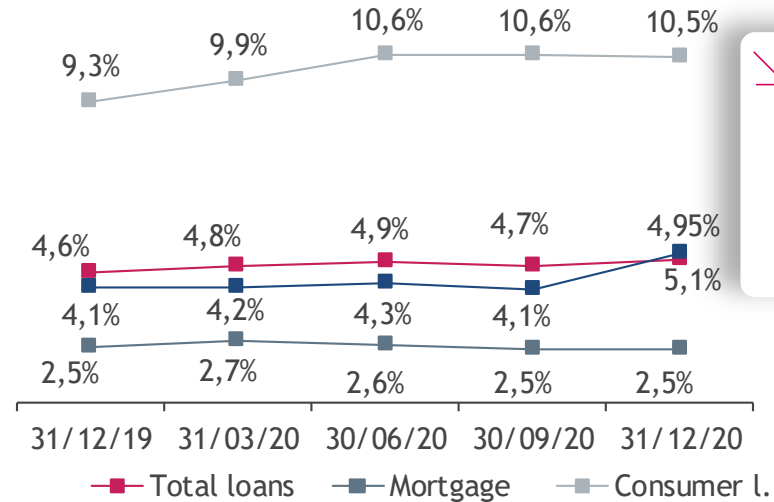
68 83

→ Cost of risk ytd (bp) *

+42%



Impaired loans (IFRS9 stage 3 & POCI)



↘ PLN76mn of consumer NPLs (principal; PLN69mn off-balance sheet) was sold in 4Q20 generating PLN8.2mn pre-tax profit

↘ New more conservative default definition for retail portfolio was introduced in 1Q20
A few corporate cases reclassified to stage 3 from stage 2 in 4Q20

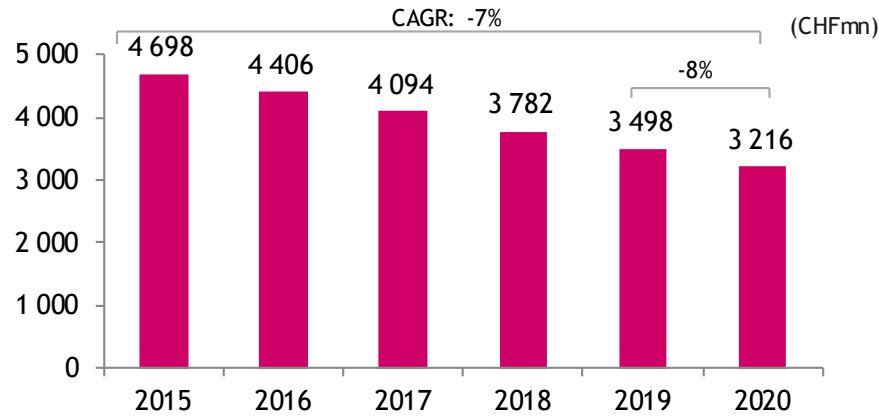


(*) Total net provisions created (incl. fair value adjustment of loan portfolio and loans modification effect) to average gross loans
(**) Extraordinary Day1 acquisition related extra provisions created for Euro Bank loan portfolio in 2019 and Covid-19 related provisions in 2020

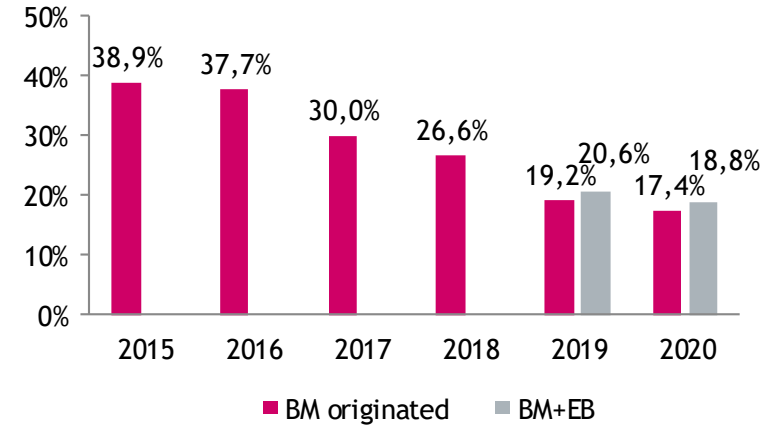
FX-MORTGAGE PORTFOLIO

FX-mortgage portfolio continued to decline steadily (-8% in CHF terms in 2020)

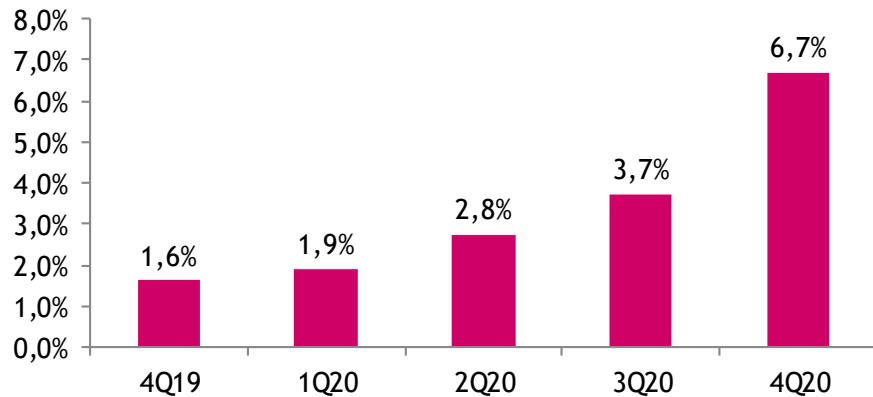
FX-mortgages*



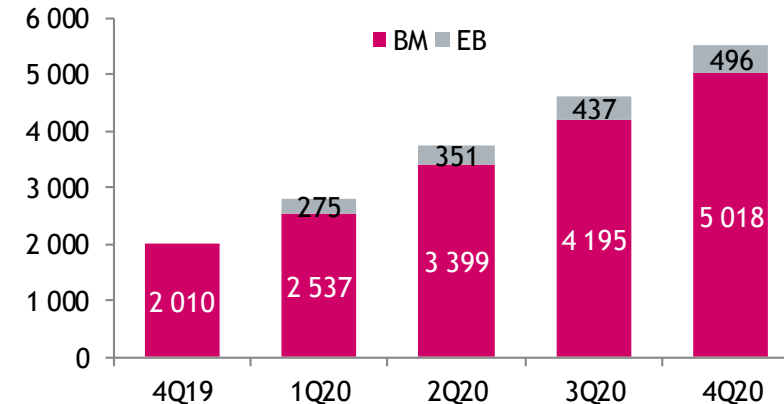
FX-mortgages as % of total book



Provisions against legal risk as % of FX-mortgage book*



Individual indexation lawsuit cases

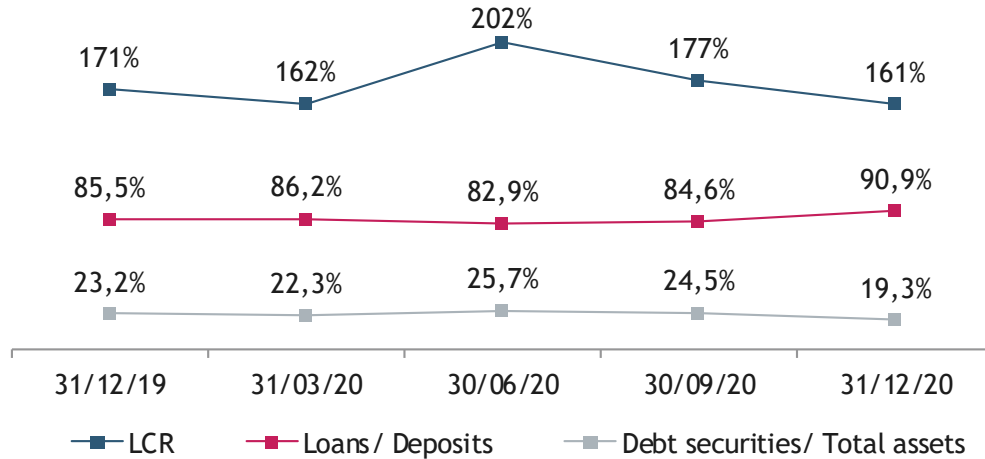


(*) Excluding EB

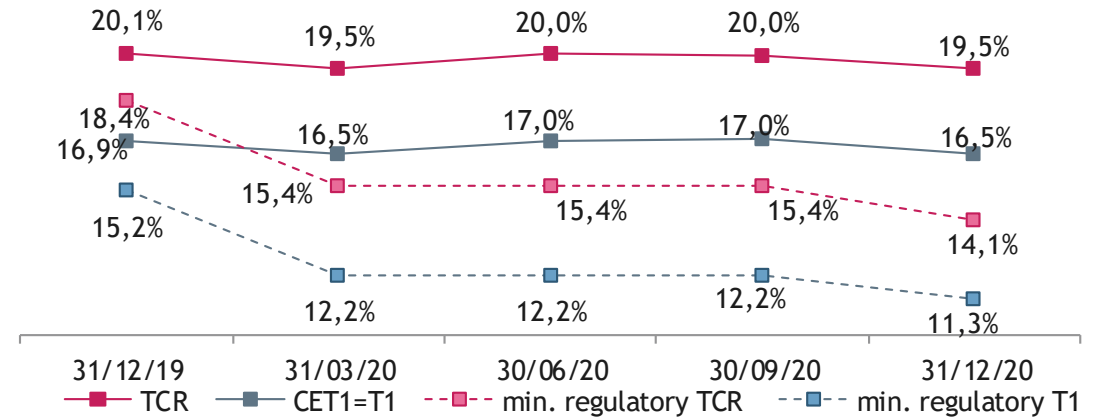
LIQUIDITY AND CAPITAL

Robust liquidity and strong capital adequacy with surplus of more than 5.4 ppt (TCR)

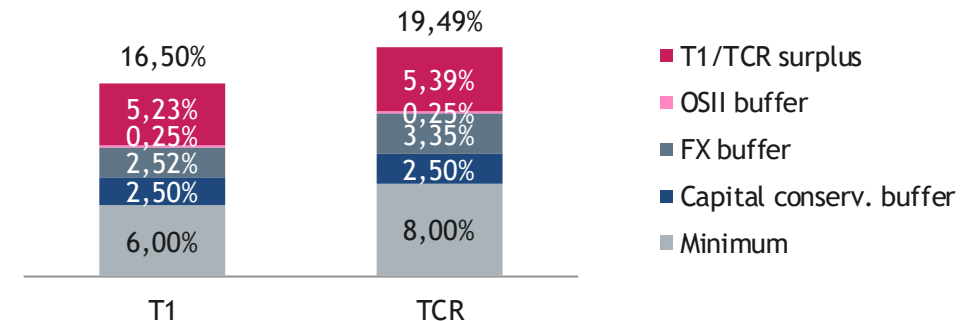
Liquidity indicators



Group capital ratios *



Capital requirement vs. actual ratios as at 31 Dec. 20 (Group)



High level of risk absorption capacity:

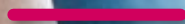
- **5.2%-5.4%** of T1/TCR surplus
- **2.5%-3.4%** of T1/TCR FX-buffer



(*) Bank's (solo) capital ratios : TCR 19.2% and CET1 16.2%



04



PRESENTATION OF 2020 RESULTS

Business development

BUSINESS HIGHLIGHTS OF 4Q20/2020

Retail business fast returning to/above pre-Covid levels, corporate activity on the mend

4Q20

Mortgage sales

>PLN2.0bn

AuM

+7% q/q

Debit cards

>3mn

2020

Mortgage sales

PLN6.8bn+57%

Active digital customers

>2.0mn

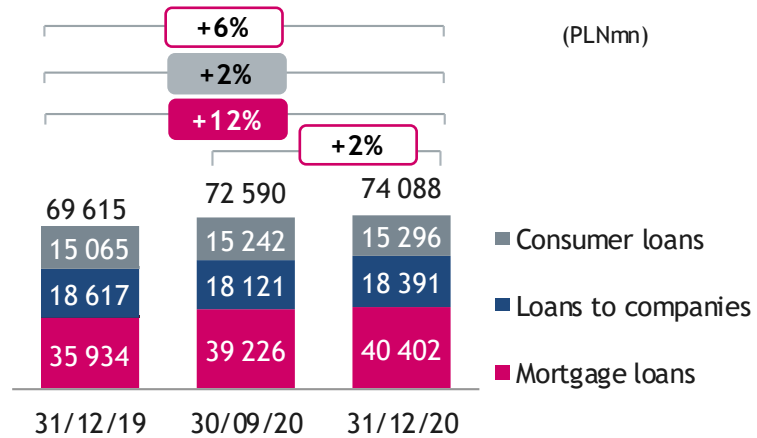
Loans

+6% y/y

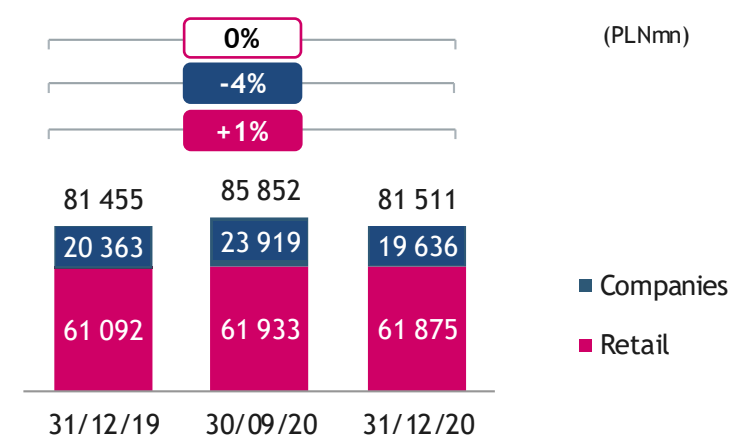
LOANS AND CUSTOMER FUNDS

Strong growth in retail loans thanks to mortgage. Stabilisation of loans to companies with signs of growth in 4Q.

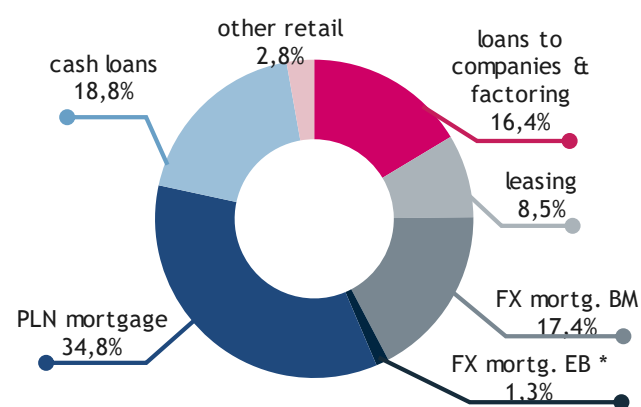
Loan portfolio of the Group (net)



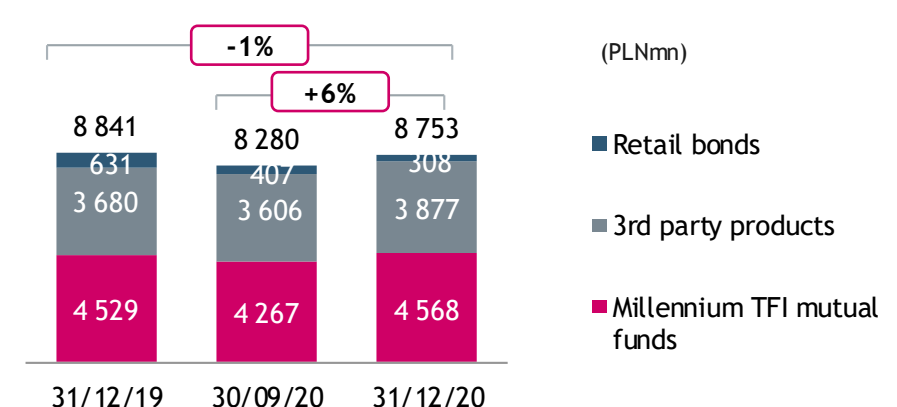
Customer deposits



Structure of loan portfolio (gross)



Customer funds

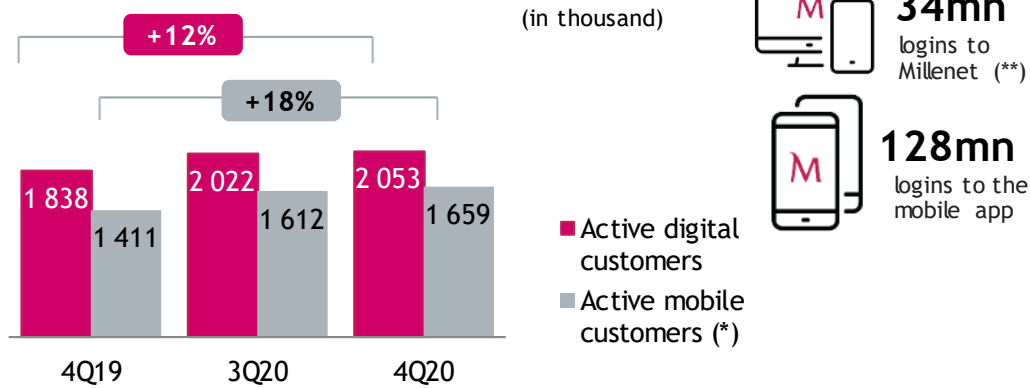


(*) Covered by SocGen guarantee and indemnity

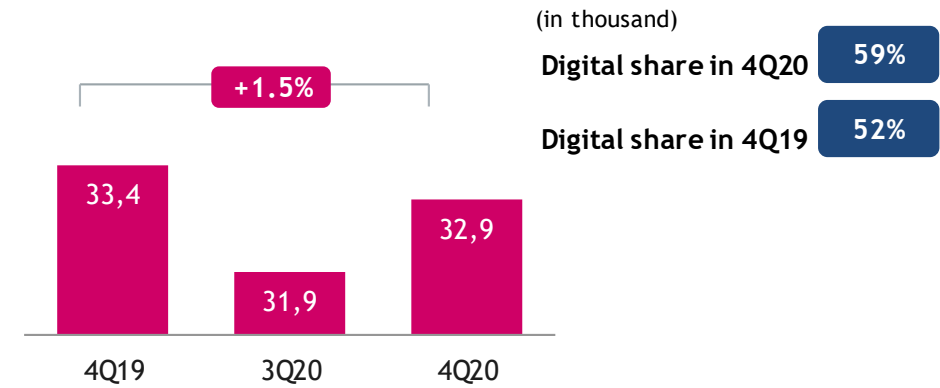
RETAIL BANKING - DIGITAL CUSTOMERS AND SALES

Continued growth in the number of mobile users and logins. High share of electronic channels in the sale of products

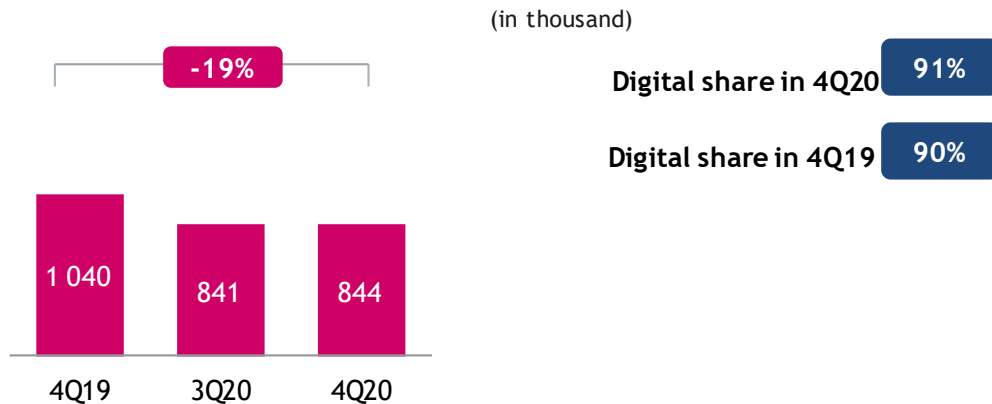
Active digital and mobile clients



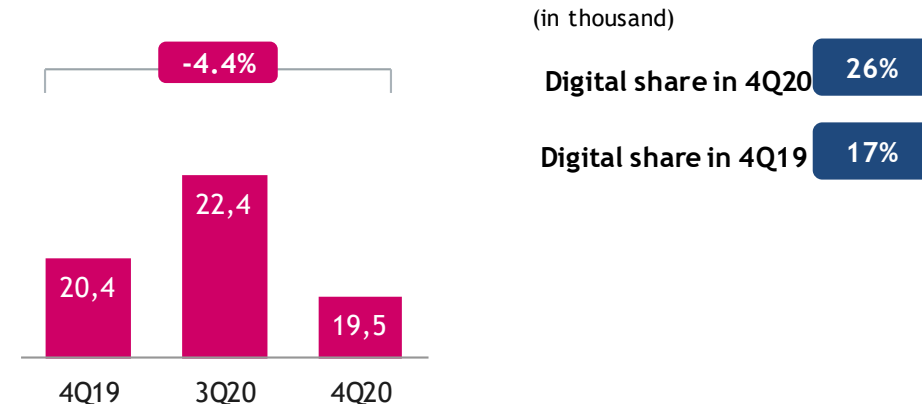
Cash loans disbursed in digital channels



Digital channels - time deposits



Current accounts open online

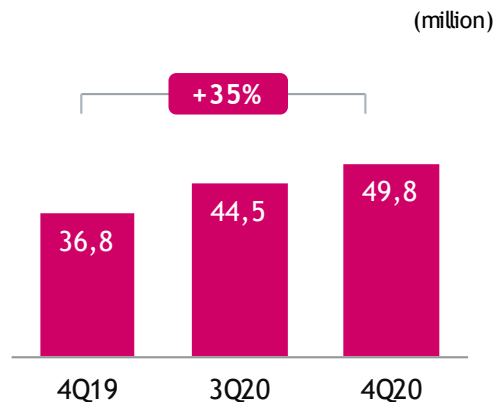


(*) retail clients actively using mobile app and mobile Millenet
(**) Millenet and ipayment

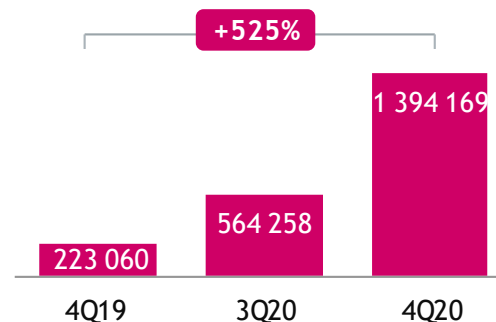
RETAIL BANKING - ONLINE PRODUCTS AND SERVICES

High transaction rate in online payments, with the largest increase in BLIK transactions.

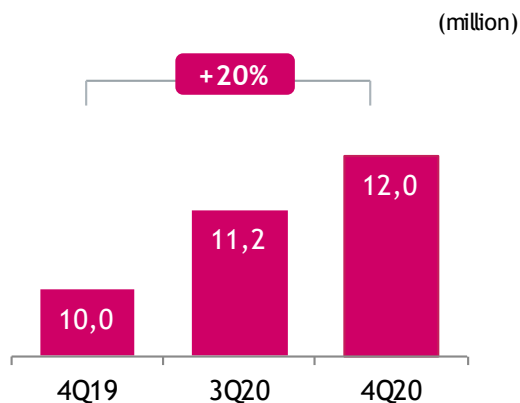
Transfers*



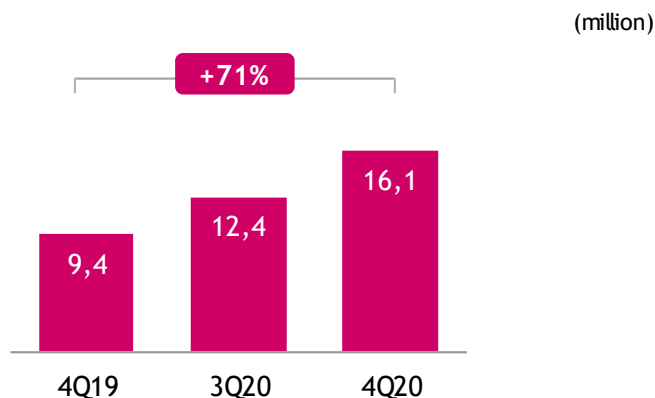
Number of clients with Mobile Authorization



E-commerce card transactions



Internet payment transactions*



Record-breaking results of BLIK payments:

- Transactions **91% y/y**
- Users **41% y/y**
- E-commerce transactions **90% y/y**

Only in December **5mn** transactions, including **3.5mn** e-commerce BLIK transactions. A total of **1mn more** than in September.



RECENT SOLUTIONS AND INNOVATIONS



Digitization and creating services in response to customer needs and changes in the environment

Digital sales. Further development of key processes



A new cash loan process, refreshed in line with the omnichannel approach. The process aggregates the existing options on one application, and will soon be extended to include more. Additionally, it is distinguished by a modern and intuitive design.

Structured deposit available in the mobile app. There is a possibility to fill in MIFID questionnaire and sign a framework agreement in the same process (which opens access to other investment products).

Open banking supporting sales capabilities of digital channels



Extension of the AIS income verification service with a new bank - Pekao SA. There are now 9 banks available in the service.

Online application for a business account with open banking identity verification.

Daily banking. Base for UX of digital channels



Checking the mortgage loan application status for NTB clients in the special tab in the mobile app.

Improvements - twice as high daily transaction limits, 24/7 system

Digital channels supported by human touch



A new chat platform, fully integrated with the customer service system in the Contact Center. Soon, customers will also be able to establish a chat with a consultant from the level of various processes, e.g. cash loan application.

Digital channels expansion by adding new services and being available on new platforms



Access to the goodie shopping platform in the Bank Millennium mobile app - customers can go directly to the goodie platform from the app and benefit from numerous promotions, as well as receive moneyback for online purchases made through the goodie cashback service.

Bank Millennium mobile app available in AppGallery as a result of cooperation with Huawei.

RECENT SOLUTIONS AND INNOVATIONS


↘ **2.2mn**
downloads since 2018

 **PLN 413mn**
Generated cashback turnover

 **PLN 12mn**
Amount cashback

 **30,000**
Sold goodie gift cards

↘ **4Q20: 169,000**
app downloads

 **PLN 137mn**
Generated cashback turnover and over 1mn cashback transactions

 **3.5mn**
Amount cashback

 **20,000**
Sold goodie gift cards

goodie

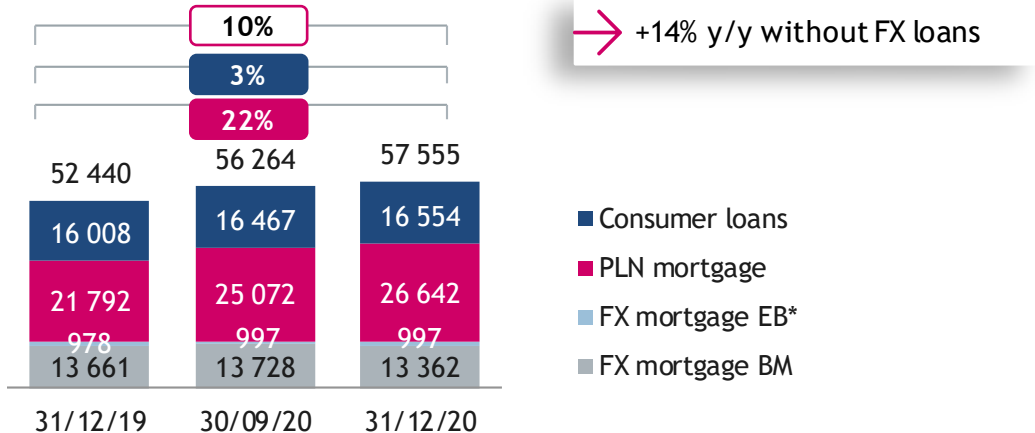
Maintaining growth rate of app downloads
Achieving excellent results of goodie cashback and gift cards



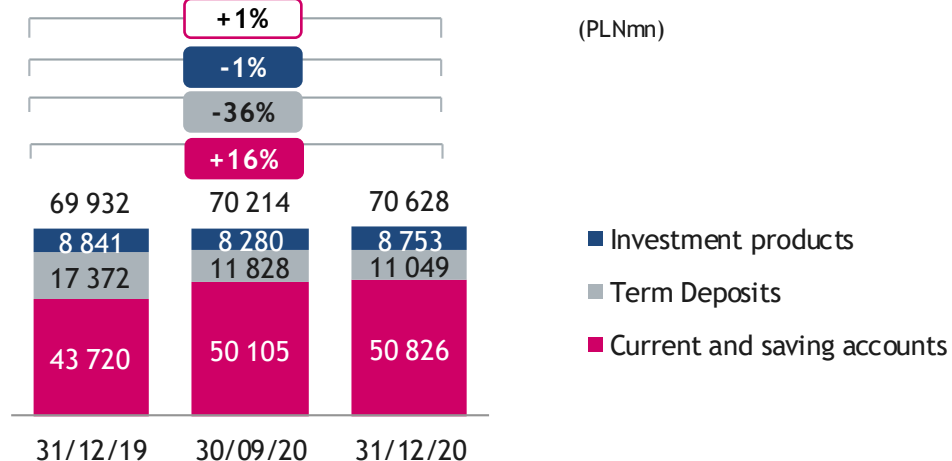
RETAIL BUSINESS - LOANS AND CUSTOMER FUNDS

Solid growth of retail loans driven by mortgage; high dynamics of current accounts volumes

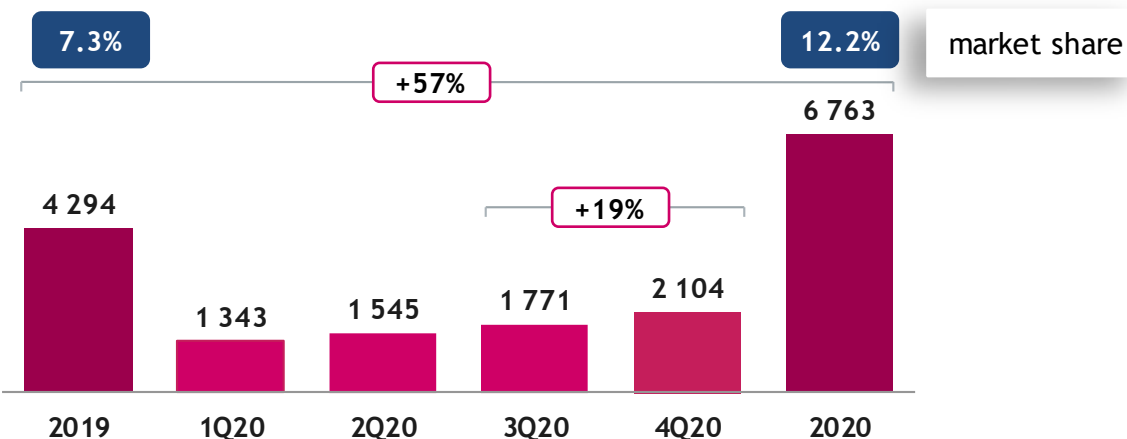
Retail loans (gross) (PLNmn)



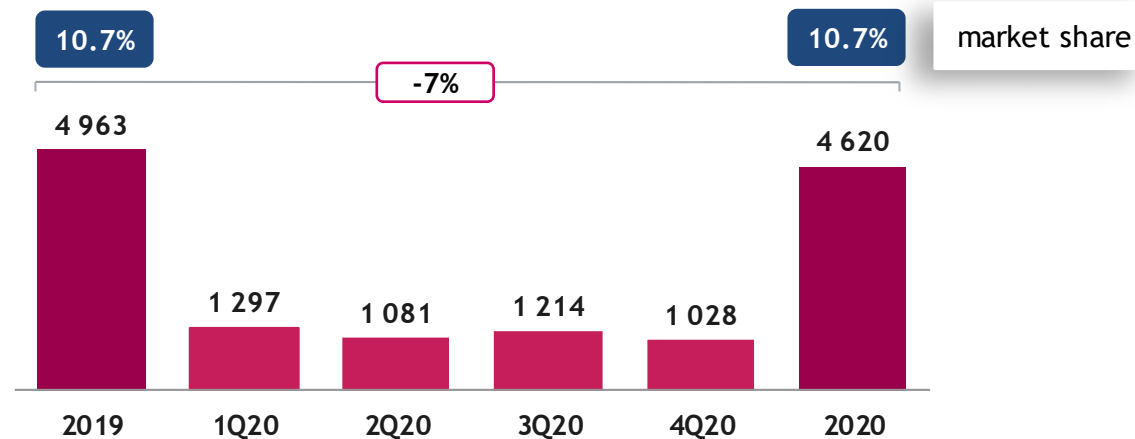
Retail customer funds (PLNmn)



Mortgage loans new sales (**) (PLNmn)



Cash loans new sales (**) (PLNmn)

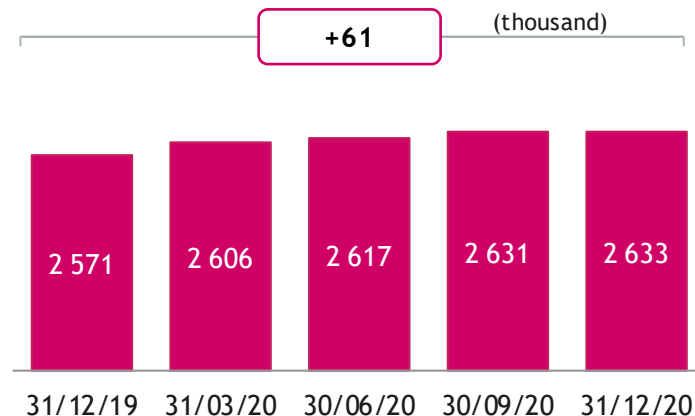


(*) Loans from Euro Bank - covered by 100% indemnity and 80% guarantee agreement with SocGen
 (**) with Euro Bank sale data from 1st of June 2019

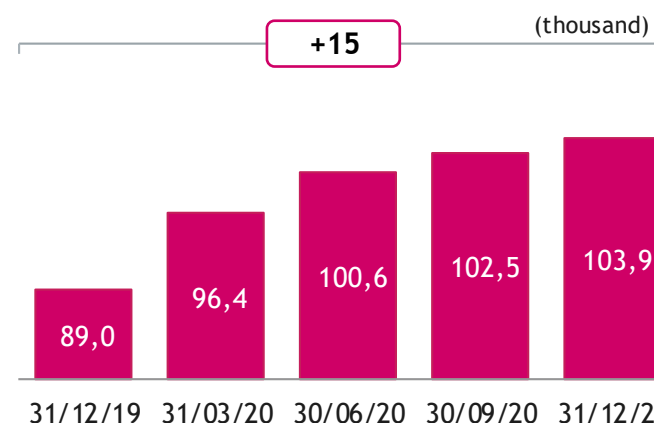
RETAIL BANKING - NUMBER OF CUSTOMERS AND ACCOUNTS

Positive dynamics of new customers, accounts and cards maintained despite the pandemic

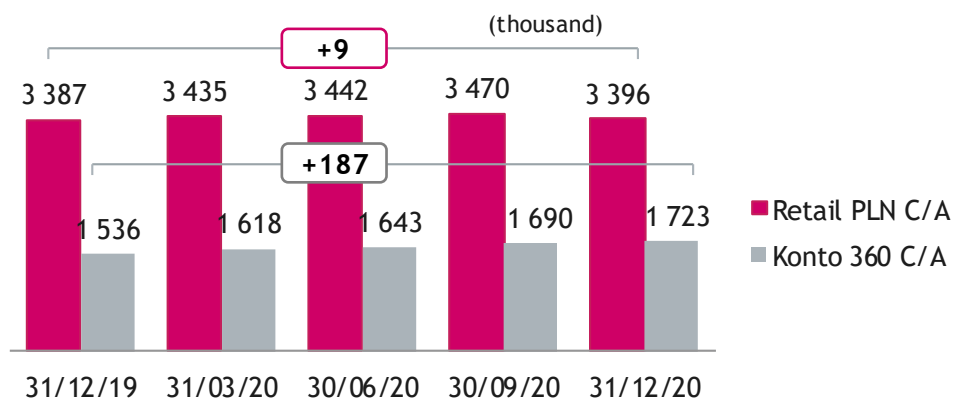
Active retail clients



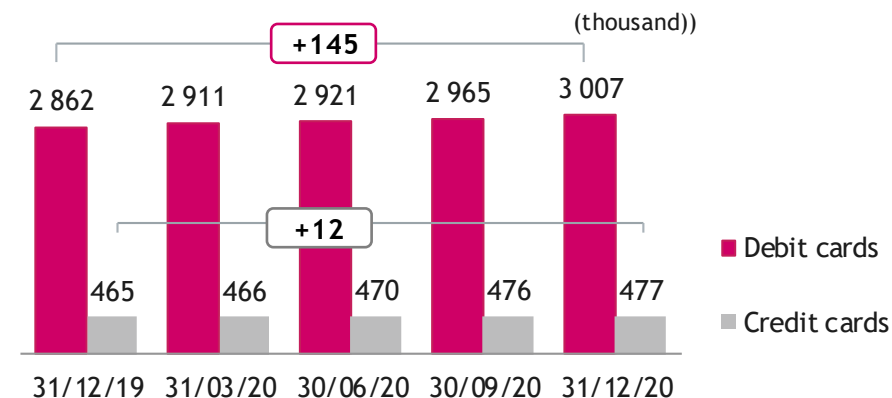
Active micro-business clients



Number of current accounts



Number of debit and credit cards

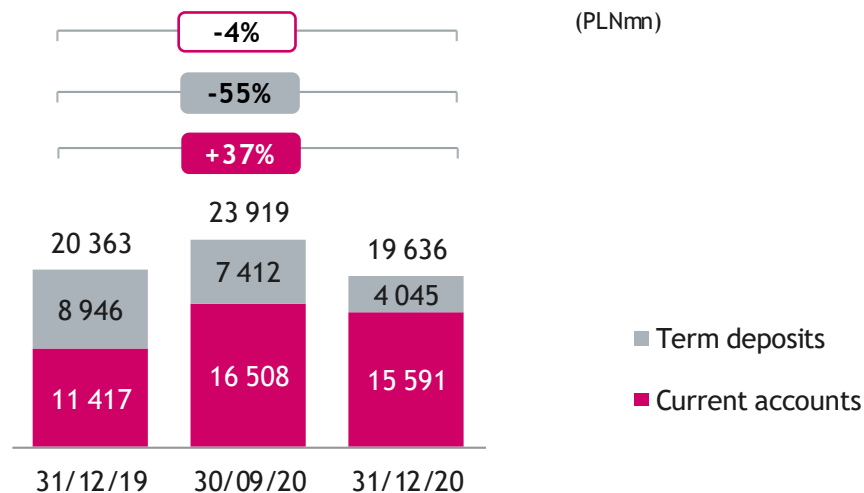


(*) Since Dec'19 data with ex-Euro Bank clients

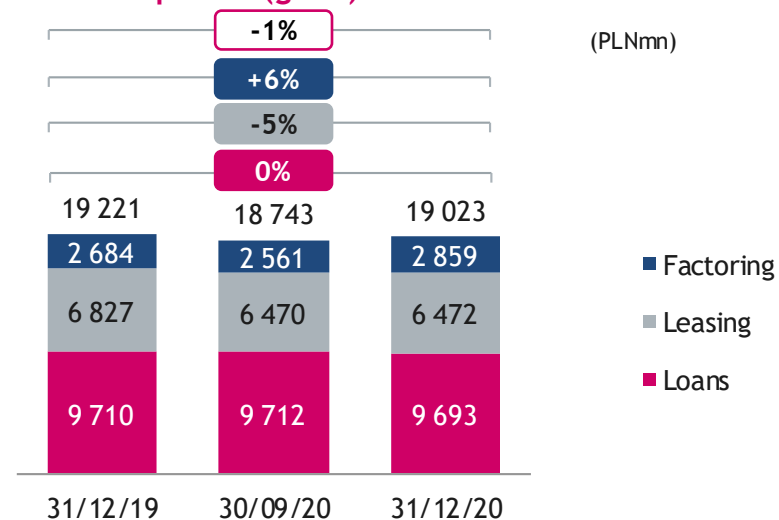
COMPANIES BUSINESS - DEPOSITS AND LOANS

C/A balances up 37% y/y as interest rates are low; loans almost flat y/y but showed modest growth in 4Q

Companies deposits



Loans to companies (gross)

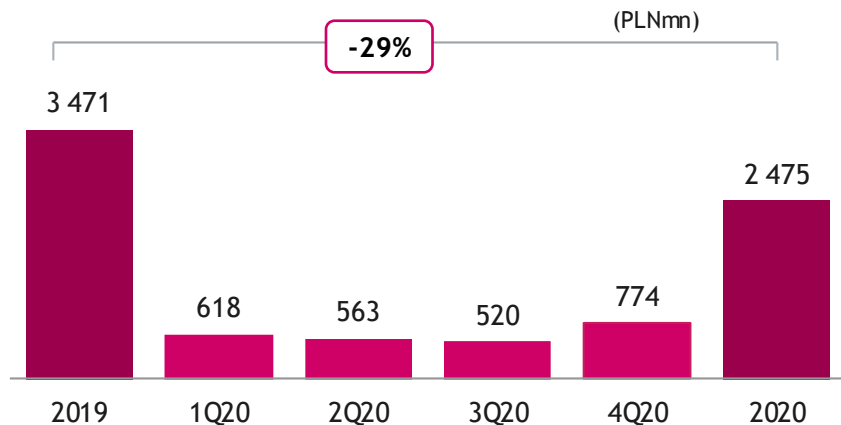


- Strong pace of growth of companies' **current accounts (+ 37% y/y)**
- Good dynamics of **factoring** whereas leasing and loans stable quarterly
- **Rebound** of clients' **activity and transactionality** after lockdown
- **Decrease of the loan portfolio smaller** than the market average
- **Digitalisation of client service progressing** and entering new areas (e.g. signing agreements, webinars)

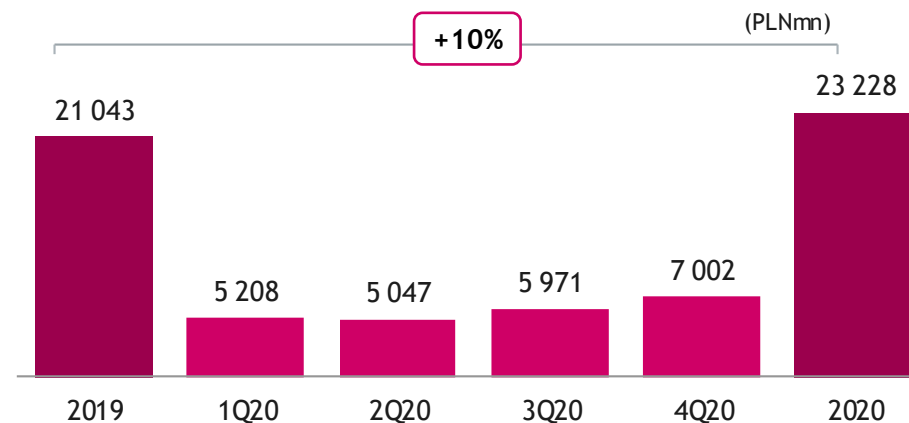
COMPANIES BUSINESS - LOANS AND TRANSACTIONS

Leasing sale decreased in 2020 as investments decelerated; factoring up 10%

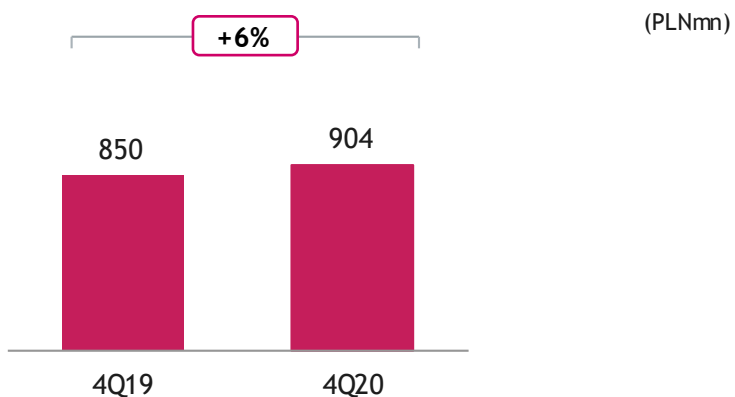
Leasing - new sales



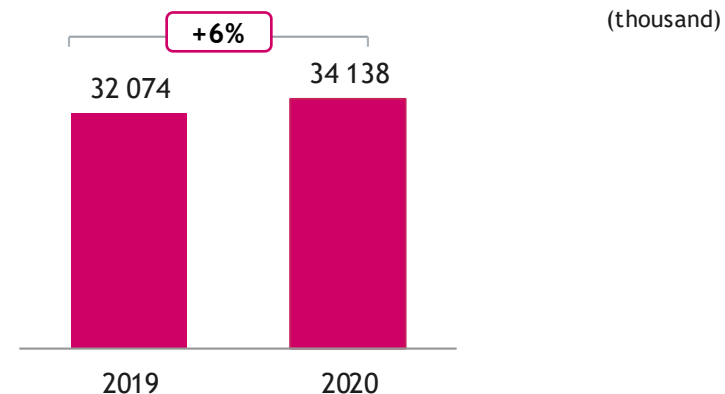
Factoring - turnover



Volumes of limits for guaranties and LC



No. of domestic transfers





04

PRESENTATION OF 2020 RESULTS

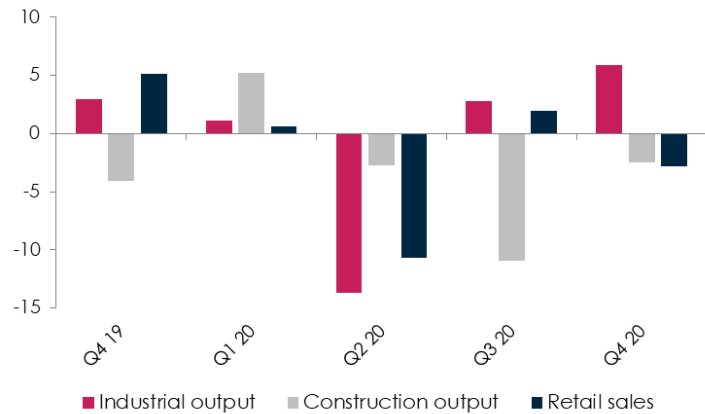
Appendices

MACROECONOMIC OVERVIEW

Economy

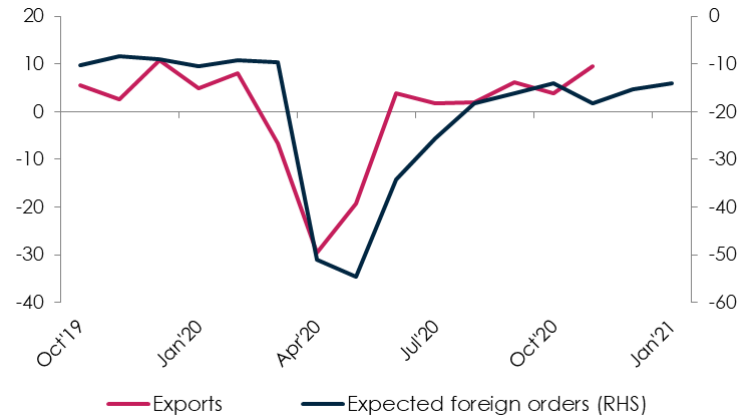
Data from real economy

(% y/y)



Exports and expected foreign orders

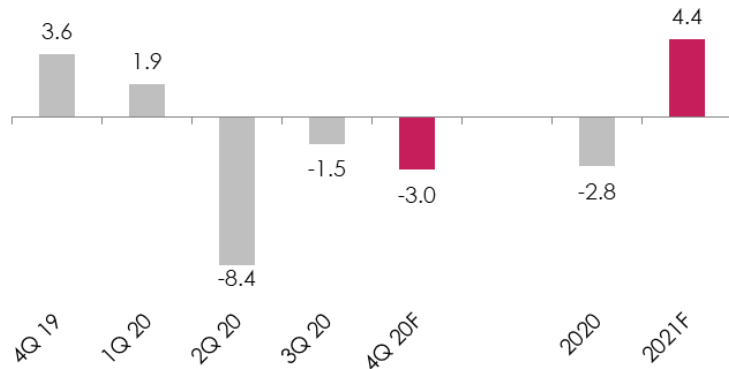
(% y/y, pts)



Polish economy surprised on the upside in 4Q20 showing some resilience to reintroduced restrictions for part of the service and trade sector. Manufacturing rebounded particularly strongly due to increasing global trade and demand from abroad. Outlook for 2021 remains favourable despite vaccination roll-out slower than expected and strong impact of restrictions in economies of main trading partners.

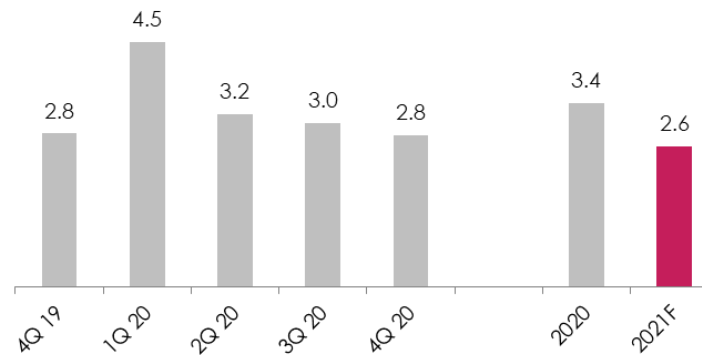
GDP growth rate

(% y/y)



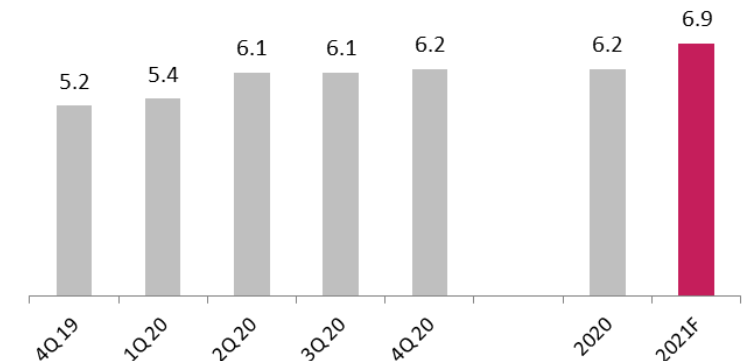
CPI inflation

(% y/y)



Registered unemployment rate

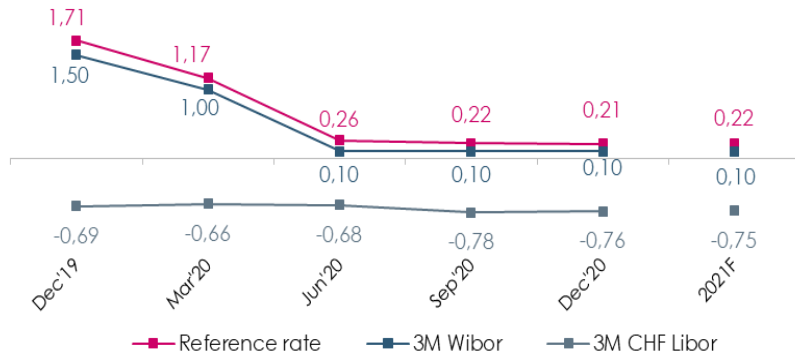
(%)



MACROECONOMIC OVERVIEW

Financial markets

Interest rates



EUR/PLN exchange rate

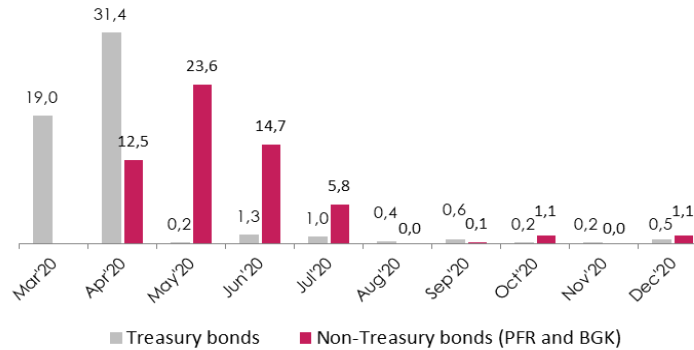


Monetary Policy Council kept rates at record low levels in 4Q20 and continued asset purchase program, although its scale was smaller as compared to 3Q. Yields of Polish bonds stood at very low levels, while Polish Zloty was under negative pressure coming from global sentiment, but also NBP activity on fx market.

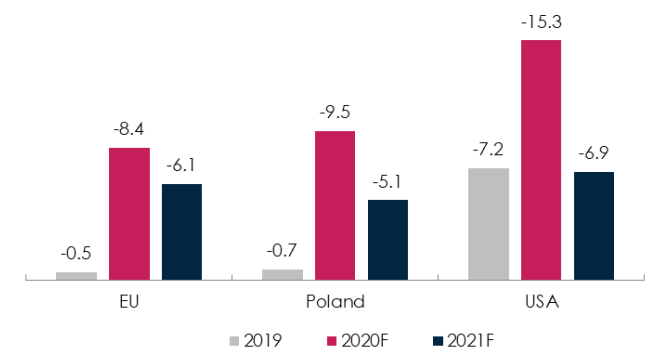
Yields of T-bonds (% y/y)



NBP buybacks of bonds (PLN bln)



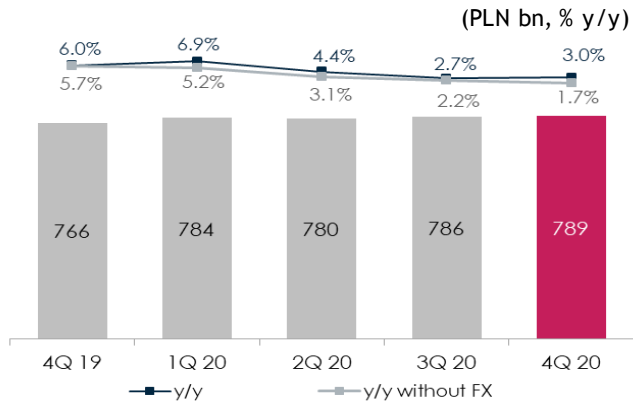
General government deficit (% GDP)



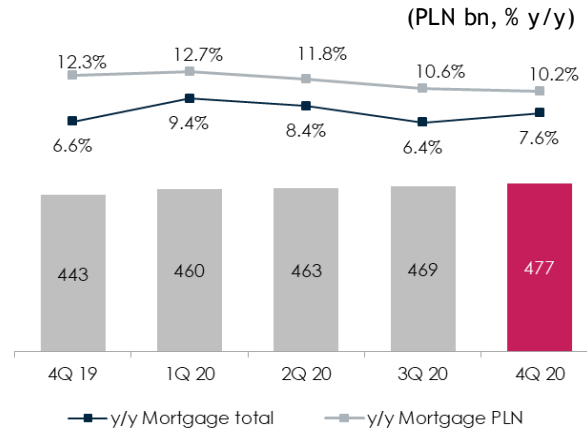
MACROECONOMIC OVERVIEW

Monetary aggregates

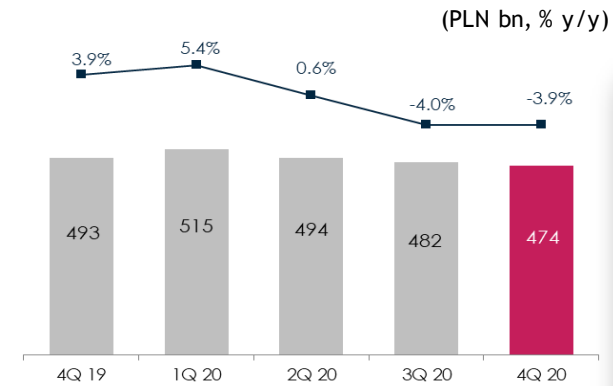
Loans to households



Mortgage loans

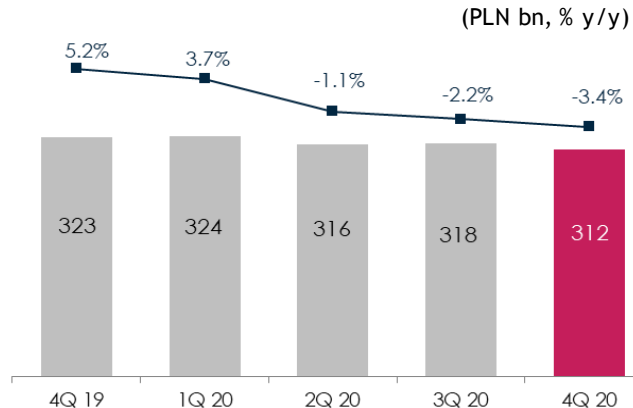


Loans to companies

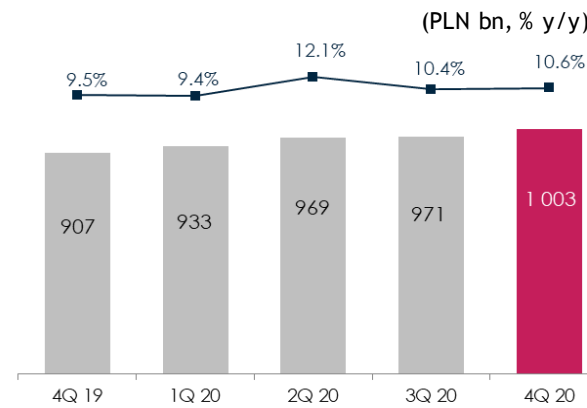


4Q20 showed continuation of trends from previous quarter. Loans for companies and non-mortgage loans were declining. On the other hand, mortgage loans continued relatively strong growth.

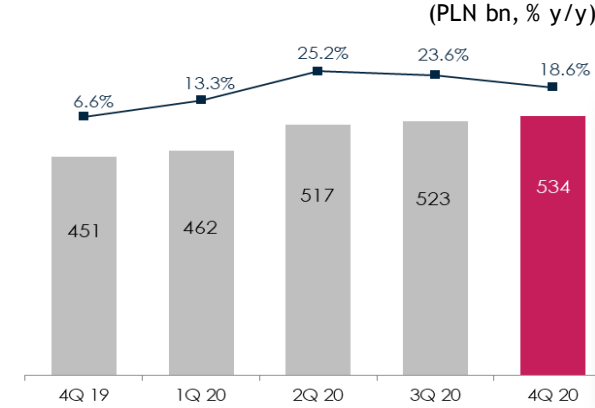
Households: non-mortgage loans



Deposits from households



Deposits from companies

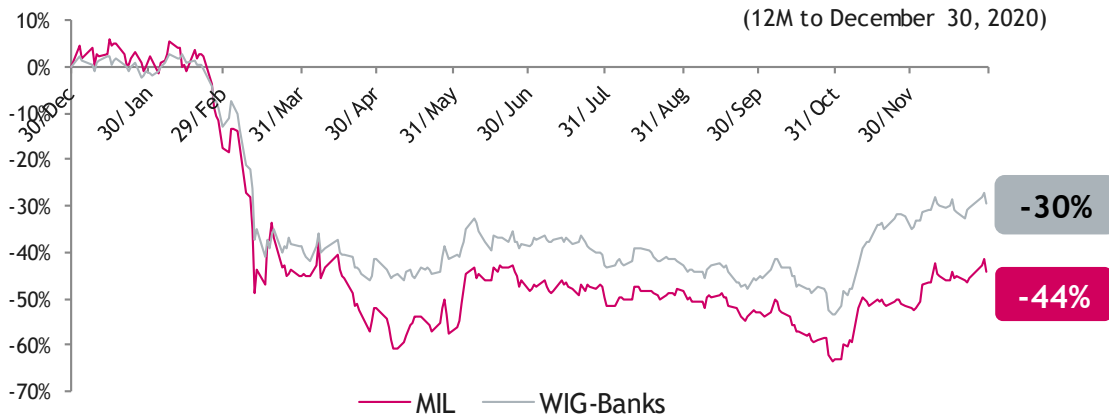


Annual growth rate of households deposits remained strong in 4Q. Growth rate of deposits from companies decreased as public aid from first Financial Shield ended.

RATINGS AND MARKET RATIOS

Share price under strong pressure due to coronavirus pandemic and FX mortgage legal risk

Bank Millennium share performance vs. WIG Bank index



Banku Millennium shares

No of shares: 1 213 116 777 (listed 1 213 008 137)
Listed: on Warsaw Stock Exchange since August 1992
Index: WIG, WIG 30, mWIG40, WIG Banks, WIG-ESG
Tickers: ISIN PLBIG0000016, Bloomberg MIL PW, Reuters MILP.WA

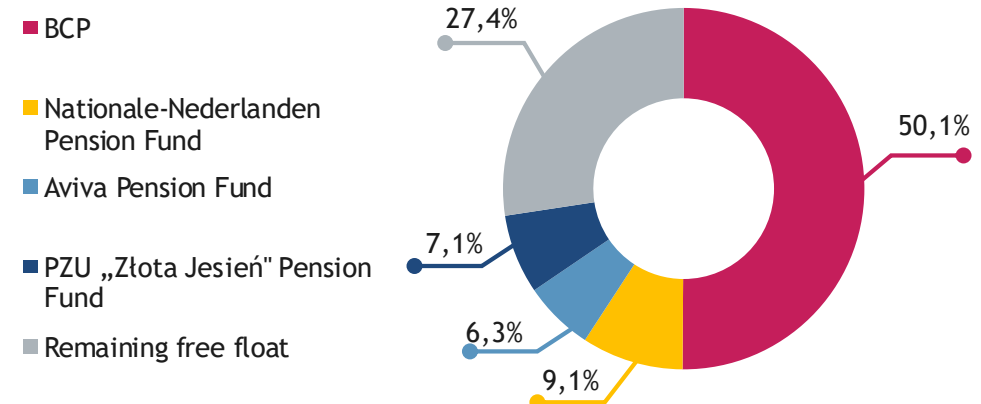
Ratings of Bank Millennium

Moody's Baa1 / P2/ baa3 / stable outlook

Fitch BBB- / F3/ bbb- / stable outlook

On 30 of September 2020 the Moody's rating agency completed its periodic review of the financial situation of Bank Millennium and left the bank's ratings unchanged.
 On the 5th of October 2020 Fitch rating agency affirmed Bank Millennium's long-term rating at BBB- and Viability Rating (VR) at bbb-. The rating outlook remained stable.

Bank Millennium shareholders' structure



#2 IN THE FORBES RANKING: "POLISH CLIMATE LEADERS 2021"

High quality and customer-centricity as well as climate care confirmed by independent rankings and competitions



"Climate Leaders Poland 2021" ranking

Bank Millennium is the climate leader in the "Climate Leaders Poland 2021" ranking published by the Forbes magazine. Bank Millennium came second on the list among all participating companies in Poland, with a result of 34% of annual reduction of emissions intensity. It is thus the first bank in the ranking with the best result. The List of Polish Climate Leaders is the first such report in the history of the Polish edition of Forbes. The ranking was created by calculating the annual accumulated rate of reduction of greenhouse gases (CARR), adjusted with revenues.



Najlepszy bank
w ocenie klientów

Ranking Polskiego Instytutu Badań Jakości (PIB.JA)

2020

The Polish Quality Research Institute "Bank as assessed by clients 2020"

Bank Millennium became a leader of the ranking of the Polish Quality Research Institute "Bank as assessed by clients 2020" established on the basis of opinions shared by individual clients of 14 most popular banks in Poland, winning the general classification.

The Bank scored very high for its friendly and competent service provided in outlets and by phone, for efficient electronic support and expanded network of ATMs and low service costs. We are also the most preferably recommended Bank.



Service Quality Star

Bank Millennium won a consecutive Service Quality Star. The Service Quality Star is an award granted by consumers who, via multi-platform consisting of a portal jakoscobslugi.pl and mobile app assess, throughout a year, more than 46 thousand companies representing 200 sectors. Furthermore a survey is conducted using the CAWI method. Beside assessing service quality, relative to each brand probability of recommendation is examined (NPS). The title of Service Quality Star is awarded to companies, which scored highest from consumers and in the CAWI survey and stood out against average results in their sector.

SYNTHETIC P&L ACCOUNT

Pro-forma PLNmn	2019	2020	Change Y/Y	3Q20	4Q20	Change Q/Q
Net interest income*	2 499	2 583	3%	629	625	-1%
Net commission income	699	746	7%	180	193	7%
Other non-interest income **	273	249	-9%	79	92	17%
Operating Income	3 472	3 578	3%	887	909	3%
General and administrative costs	-1 545	-1 542	0%	-360	-366	2%
Depreciation	-181	-210	16%	-52	-51	-1%
Total operating costs	-1 726	-1 753	2%	-412	-418	1%
Net cost of risk ***	-439	-621	42%	-150	-108	-28%
- of which COVID19 risk provision	-	-133	-	-6	-57	856%
FX legal risk provision	-223	-714	220%	-130	-416	221%
Operating profit	1 083	490	-55%	195	-32	-
Banking tax	-248	-279	13%	-68	-70	3%
Pre-tax profit	835	211	-75%	127	-102	-
Income tax	-275	-188	-31%	-67	-7	-90%
Net profit	561	23	-96%	60	-109	-
Accounting PLNmn	2020	2019	Change Y/Y	4Q20	3Q20	Change Q/Q
NII (reported under IFRS)	2 437	2 549	5%	624	621	0%

(*) Pro-forma data. Margin from all derivatives, including those hedging FX denominated loan portfolio, is presented in Net Interest Income, whereas in accounting terms part of this margin (PLN34.5mn in 2020 and PLN62.5mn in 2019) is presented in result on valuation and operations in financial instruments.

(**) includes FX results, results on financial operations (pro-forma) and net other operating income and costs (***) cost of risk includes impairment provisions (on all stages), FV adjustment on loans and result on modification.

BALANCE SHEET

PLNmn	31/12/2019	30/09/2020	31/12/2020	Change Y/Y
ASSETS				
Cash and balances with the Central Bank	2 203	1 182	1 460	-34%
Loans and advances to banks	784	862	625	-20%
Loans and advances to customers	69 615	72 590	74 088	6%
Amounts due from reverse repo trans.	205	42	66	-68%
Debt securities	22 866	25 179	18 972	-17%
Derivatives (for hedging and trading)	156	185	176	13%
Shares and other financial instruments	96	172	231	139%
Tangible and intangible fixed assets	1 009	941	957	-5%
Other assets	981	1 094	1 197	22%
TOTAL ASSETS	97 916	102 246	97 772	0%
LIABILITIES AND EQUITY				
Deposits and loans from banks	1 579	1 105	1 058	-33%
Deposits from customers	81 455	85 852	81 511	0%
Liabilities from repo transactions	91	449	249	174%
Financial liabilities at fair value through P&L and hedging derivatives	780	810	907	16%
Liabilities from securities issued	1 183	659	559	-53%
Provisions	165	386	608	268%
Subordinated liabilities	1 546	1 539	1 540	0%
Other liabilities	2 176	2 224	2 250	3%
TOTAL LIABILITIES	88 975	93 024	88 681	0%
TOTAL EQUITY	8 942	9 222	9 091	2%
TOTAL LIABILITIES AND EQUITY	97 916	102 246	97 772	0%

INVESTOR RELATIONS CONTACT:

Head of Investor Relations

Dariusz Górski

Tel: +48 514 509 925, +48 22 598 1115

e-mail: dariusz.gorski@bankmillennium.pl

Katarzyna Stawinoga

Tel: +48 22 598 1110

e-mail: katarzyna.stawinoga@bankmillennium.pl

Marek Miśków

Tel: +48 22 598 1116

e-mail: marek.miskow@bankmillennium.pl



www.bankmillennium.pl



[Kanał na YouTube](#)



[@BankMillennium](#)

Next events:



04-05-2021 – 1Q21 results

27-07-2021 – 1H21 results

26-10-2021 – 3Q21 results