

## Information from Bank Millennium for Customers who have mortgage loans in CHF

Dear Sir/Madam,

Please be advised that as of 1 January 2015 Bank Millennium is reflecting negative LIBOR when calculating the interest rate on mortgage loans in CHF.

Borrowers who took a loan in CHF after 1 January 2005 were informed already in early January this year in their December 2014 personal account statements about the loan interest rate, which reflects negative LIBOR.

Every subsequent update of interest rate shall be made in keeping with terms and conditions stipulated in the loan agreement and it will reflect the proper LIBOR. However due to lack of legal grounds for applying a negative interest rate, it cannot be lower than zero.

Currently analytical work continues on technical/operational and process solutions using negative interest rate on loans in CHF. Moreover analyses are under way of the legal and tax implications of the proposed solution both for Customers as well as the Bank.

Furthermore due to decisions of the Swiss National Bank, which caused the CHF rate to soar and in consequence caused growth of the financial burden on Customers, as of 26 January 2015 the Bank temporarily reduced to 3% the spread on CHF for settlement of CHF loan-related transactions. The Bank shall issue a communique on its website 2 weeks in advance informing about the date of returning to the basic spread.

Both when calculating the amount of CHF loan monthly payment as well as when converting the amount of early repayment, the rate applied uses the reduced spread.

Please recall that when the FX Rates Table is defined at least twice a day, the rate applied for calculating the amount of loan instalment is always the FX sell rate, which is most advantageous for borrowers of all the rates valid on the date of payment of the instalment.

For Customers wishing to convert loan currency from CHF to PLN on 02.02.2015 the Bank temporarily introduced the possibility of conversion at a rate equal to the average NBP rate from the day of submitting the conversion request. The Bank shall issue a communique on its website 2 weeks in advance informing about the date when the average NBP rate will cease to be applied for purposes mentioned in the preceding sentence.

At the same time Bank Millennium wishes to recall that following solutions are available to Customers for the purpose of reducing the mortgage loan repayment burden:

- 1-month loan holiday whereby payment of an entire loan instalment is suspended (available once in every calendar year)
- Grace on repayment of loan principal - the total maximum of 24 months during the entire tenor in case of a mortgage loan; the maximum of 6 months in case of a home equity loan\*
- Extension of loan tenor - to the maximum period of 35 years for a mortgage loan; 30 years for a consolidation loan and 25 years for a home equity loan\*.

Additionally please be advised that the Bank has temporarily suspended fees for the above activities. The Bank shall issue a communique on its website 2 weeks in advance informing about the date of returning to the charging of all fees in keeping with the Pricelist.

Call centre for Customers who have mortgage loans +48 22 598 40 60.

Bank Millennium S.A.

\* the decision for introducing an additional grace period and lengthening grace period is taken at the request of the customer and requires an analysis of the credit capacity.