Who are we?
The world of finance is evolving every day. Change is driven by customers’ growing expectations, the pulse of the economic environment and technological progress. This is why further digitalisation, customer-centricity and behavioural personalisation technologies have become strategic pillars underpinning the bank’s growth till 2020, in addition to revenue growth and increasing the number of customers. The digital market leader we are well prepared for the challenges of open banking, which PSD2 Directive involves.

We know that putting customer needs and satisfaction first is an effective method of building friendly relations. Thanks to this for some years now we have been the unquestioned quality leader of the Polish banking sector. In addition to innovation, our focus on quality is a core value in the bank’s organisational culture; it applies to all our divisions, channels, processes and to the work each one of us does every day.

“João Bras Jorge, Chairman of the Management Board

For close to 30 years Bank Millennium has provided universal financial services to individual and institutional customers. From the outset it has been a trendsetter in the Polish banking sector. It is one of the first privately held banks in Poland, the first bank listed on the Warsaw Stock Exchange and the issuer of the first payment card on the Polish market. The following companies in the Bank Millennium Group extend its market offering: Millennium Leasing, Millennium Dom Maklerski, Millennium Towarzystwo Funduszy Inwestycyjnych and Millennium Goodie.

Key awards and distinctions in 2017 and 2018

We are a bank, which supports customers in reaching financial success today and in the future.
Innovation is in our blood

We are a large and innovative organization like a start-up

- Implementing our innovation strategy calls for us not only to be open to out-of-the-box solutions to ensure the best possible quality of customer experience, but also to form interdisciplinary teams in the bank to collaborate like start-ups. Goodie is our first startup project.

Goodie, an intuitive smart shopping platform with a contemporary design collects information on discounts, promotions and new products in shopping centres, Internet and brick and mortar stores. It features a sophisticated recommendation system to deliver tailor-made proposals to users. The app has already approached the impressive number of 600,000 downloads and every day shopping fans have an average of more than 2,000 offers waiting for them from close to 700 popular brands.

- Antonio Pinto, Member of the Management Board

We create unique products and solutions

- Innovation is our middle name. In the course of the last two years we introduced i.a. Poland’s first motor insurance offered by mobile phone by scanning the vehicle registration document, as well as travel insurance with the innovative “Travel Assistance” service in the mobile app. The service has become popular not only with customers but also worldwide.

We have also introduced tokenisation of MasterCard and Visa cards, which allows customers to create a virtual counterpart of any payment plastic to pay contactless with their phone using HCE technology, before the plastic card reaches them. Currently responding to customers’ expectations, we are working on launching Apple Pay. We also plan to have a chatbot as well as roboadvisory service.

- Halina Karpińska, Director of the Electronic Banking Department

We are taking part in the debate on innovation development in Poland

- Innovation is a process of seeking new competitive advantages, creating highest value added. In order to contribute to the public discussion on innovation we had the idea to publish the “Millennium Index – Regional Innovation Potential” report. As we see differences in the innovation potential of particular regions, we analyse the broad business context. Our report and ranking list of Voivodeships are prepared every year in order to analyse and compare changes taking place in the same geographies.

In each edition of the report we look at the drivers of performance of particular sectors of the economy and together with experts who comment on survey results we seek “recipes for innovation” in each Voivodeship.

- Grzegorz Maliszewski, Chief Economist of the Bank

In the bank were made online or by mobile

- 99 %

Active online customers

- 1.3 m

Customers using mobile devices

- 888 thous.
High profit, record-setting growth of the number of customers

- The Bank is developing along the lines of the 2018-2020 Strategy and financial results in subsequent quarters are stages of this development. After 3 quarters of 2018 we generated net profit of PLN 548 m (9.3% higher than in the same period of 2017) while the number of active retail customers reached 1.77 m. Total loans were up 7% (14% y/y net of FX mortgages) and customers’ deposits exceeded PLN 60 bn.

The November 2018 acquisition of Euro Bank should put our ROE among the top three banks in Poland. The merger will result in a much bigger and more competitive bank with a firm seventh place on the market in terms of value of assets, deposits and loans, with a particularly strong position in consumer loans. The transaction will significantly increase profit and scale of Bank Millennium’s operation.

Fernando Bicho,
Deputy Chairman of the Management Board

Developing employees, promoting cooperation

- Without motivation, growth is non-existent and without growth, above-average performance is not possible. Our employee satisfaction surveys demonstrate that direct superiors can make the greatest contribution to employee motivation. That is why we have been busy improving the quality of management across the bank. In 2015, we launched, among others, M#leaders, an innovative leadership competence development program, which is still in progress.

In order to achieve our objectives, we constantly pursue talent and recruit specialists with defined competences in specific niches. We have developed extensive collaboration with student organisations; we create expert programs in which we invite young and promising talented individuals. We are an attractive place of work for IT experts.

Jacek Chmielewski,
Director of HR Department

Consolidated data (in PLN million) 2016 2017 after 3 quarters of 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>68,793</td>
<td>71,141</td>
<td>73,408</td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td>6,941</td>
<td>7,773</td>
<td>8,111</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>55,876</td>
<td>57,273</td>
<td>60,223</td>
</tr>
<tr>
<td>Total Loans</td>
<td>47,020</td>
<td>47,411</td>
<td>50,915</td>
</tr>
<tr>
<td>Loans/Deposits</td>
<td>83.7%</td>
<td>82.1%</td>
<td>84.5%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>2,472</td>
<td>2,525</td>
<td>2,014</td>
</tr>
<tr>
<td>Operating Cost</td>
<td>-1,112</td>
<td>-1,156</td>
<td>-948.2</td>
</tr>
<tr>
<td>Net Income</td>
<td>701.3</td>
<td>681.2</td>
<td>548.1</td>
</tr>
<tr>
<td>Cost/ Income ratio</td>
<td>45.0%</td>
<td>45.8%</td>
<td>46.6%</td>
</tr>
<tr>
<td>ROE</td>
<td>10.4%</td>
<td>9.3%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Total Capital Ratio</td>
<td>17.4%</td>
<td>22.0%</td>
<td>22.9%</td>
</tr>
</tbody>
</table>
Listening to customers is fundamental in business

We always create products and services with customers’ needs in mind

- Can a bank account be more than just an account? Of course it can if we start with customer opinions supported by our commitment to continuous improvement. As a result, we are able to develop products and services to satisfy their needs. For example, the Konto 360° account was developed to make day-to-day banking a pleasant activity. However, the benefits it delivers go beyond the traditional functions of a bank account. Currently, it is the best-selling account in recent years (we already have over a million accounts opened). Our studies have also shown us that customers would like to visit branches featuring a contemporary interior design with functionalities similar to the digital environment. We have gradually been changing the appearance of our branches – during the last few years we opened new ones i.a. in Warsaw, Gdańsk, Łódź, Katowice and Poznań. This innovative space allows us to talk with customers and conduct an in-depth analysis of their needs.

- Wojciech Rybak, Management Board Member responsible for retail customers

- For years we have been consistent in our focus on customers and their needs. To attain this we lend an attentive ear to what they say. Every year, we conduct more than ten thousand interviews and we analyse every complaint to discover what we can improve. We start every project, which is targeted at changing a process, product, communication or service model with discovering customers’ expectations and translating them into design guidelines. The developed solutions, before implementation, are tested in customer surveys and interviews. We believe this approach allows us to assure highest quality of service and to be the first-choice bank for current and new customers.

- Aleksandra Gorbacz, Head of Surveys Team in the Quality Department

Quality of service is our priority and hobby

- Our professional relationship managers as a customer’s partner continue to be the foundation of corporate banking operations. That is why we espouse a steadfast commitment to employee self-development and delivering efficient solutions to facilitate learning. We also view the customer’s purchasing process as a learning experience for both parties, thereby enabling us to develop a relationship and personalise service.

However day-to-day contact with a bank is based on top class technology solutions. Our Internet banking solution is a comprehensive console that integrates the individual finance management areas and also serves as a communication and sales platform. By keeping pace with our customers, we were encouraged to offer user-friendly mobile solutions designed to ensure the best quality in integrated user experience.

- Anna G Gregorczyk, Director of the Corporate Banking Marketing Department

listening to customers is fundamental in business

Corporate customers recommend Bank Millennium to others

53 %

customers satisfied with their relationship with the bank

93 %

for 78 %

Konto 360° account opened

1.12 m

customers Bank Millennium is their main bank

Designing solutions for companies we want to keep a step ahead of customers

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- Anna Gregorczyk, Director of the Corporate Banking Marketing Department
- Our participation in the governmental “Family 500+” and “Good Start” programmes are examples of the positive role played by the banking sector in the digitalisation of Polish administration and a response to the needs of families in Poland. For example the possibility to submit “Good Start” applications via the Millenet online banking system was very well received by customers-parents – during 3 months they submitted 125,000 applications via the bank (8% of all applications submitted via banks).

Through the gradual expansion of our banking system’s functionality, it increasingly becomes a window to the digital world for Poland’s administrative authorities. With the help of our system customers may use the ZUS Electronic Service Platform and Trusted Profile to gain secure and convenient access to more than ten public administration services without leaving home in comfort and in a fully secure fashion.

- Tomasz Pol, Director of the Retail Banking Marketing Department

Digital improvements for all

- Our employees engage in employee volunteering for local communities: they hold education workshops, organize out-of-school classes and renovate classrooms. We train our employees in ethical sales and adapt the services we offer to the needs of the disabled. At present 100% of our ATMs and 90% of our branches are disabled-friendly. We show our care for the natural environment by reducing the quantities of materials, electricity, fuel and water we consume. Our high standards of corporate responsibility are confirmed in many rankings and the many years of our presence in the RESPECT Index, a stock exchange index comprised of companies committed to the best CSR and corporate governance standards.

- Anna Pulnar, CSR Specialist

- We care about the environment in which we operate

- We like to help, we make life easier

We support culture and financial education

- We are a multi-faceted institution and our presence goes beyond financial activity. We are consistent in our support to culture; among others, we are a naming rights sponsor of the largest festival of documentary films in Poland, Millennium Docs Against Gravity.

Under the name of Bank Millennium Foundation, we run a national educational program named “Financial ABCs”. Under this proprietary series we explain the basics of finance to children in kindergartens. So far we have trained almost 32,000 children during 1,300 workshops in 370 kindergartens across Poland. The programme enjoys the honorary sponsorship of the Minister of National Education and the Children’s Ombudsman. In 2016, we also launched a grant-based employee volunteering program.

- Iwona Jarzębska, Press Spokesperson and Director of PR Department

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