



# Bank Millennium Group

2013: a good year in  
challenging environment

Friendly Bank



No 1 in Poland



Service Quality Stars



3<sup>rd</sup> February 2014

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Financial data presented hereby is based on the consolidated Bank Millennium Group level. Financial data for 4Q 2013 and full 2013 year is preliminary, non-audited, and is based on current report with preliminary 2013 data published on 3rd February 2014. Other financial data is consistent with published Financial Statements of the Group (available on Bank's website at [www.bankmillennium.pl](http://www.bankmillennium.pl)). The only exception are **pro-forma data** described below.

From 1st January 2006 the Bank started to treat under hedge accounting principles the combination of mortgage floating rate FX loans, floating rate PLN deposits and related cross currency interest rate swaps. From 1st April 2009 the Bank extended hedge accounting principles also to FX swaps. According to the accounting principles, the margin from these swaps is reflected in Net Interest Income. However, as this hedge accounting does not cover all the portfolio denominated in foreign currency, the Bank provides **pro-forma data**. The pro-forma statement presents all interests from derivatives included in Net Interest Income, which in the Bank's view allows better understanding of the economic evolution of this item.

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# Agenda

**Macroeconomic overview**

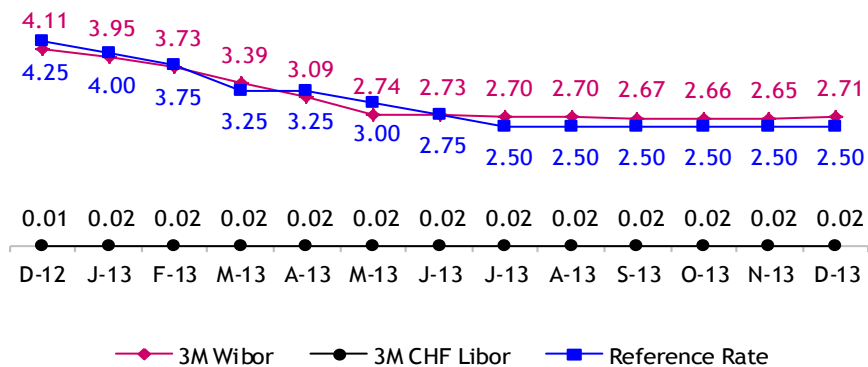
**Financial performance**

**Business development**

**Appendixes**

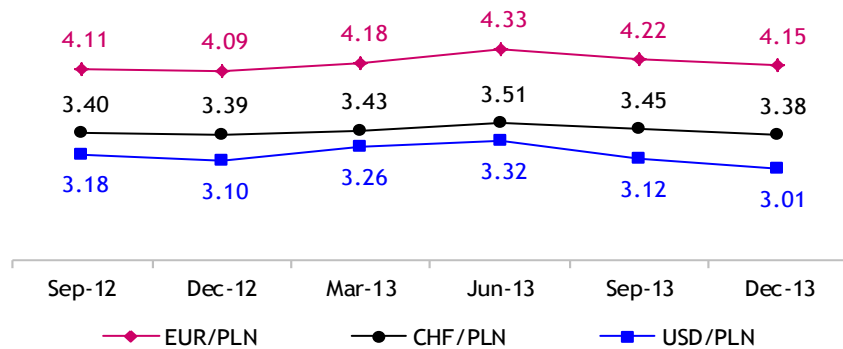
# Macroeconomic Overview

Interest Rates Evolution (%)



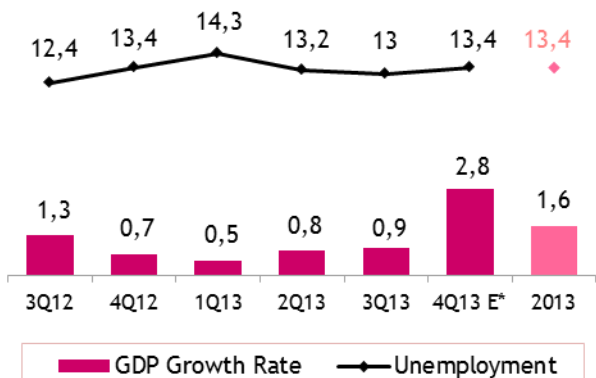
Q-o-Q (bp)	4	0	0
Y-o-Y (bp)	-140	1	-175

FX Rates Evolution

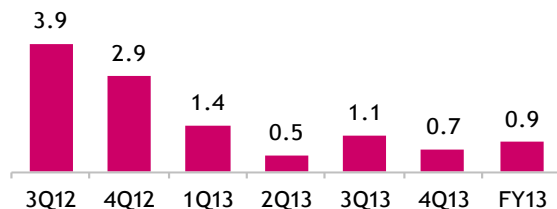


Q-o-Q	-1.6%	-2.0%	-3.5%
Y-o-Y	1.4%	-0.2%	-2.8%

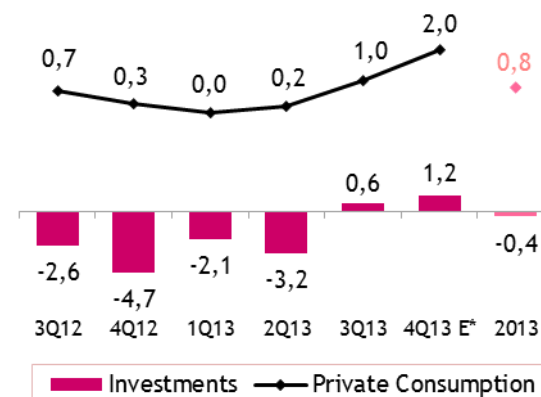
GDP Growth & Unemployment Rate (%)



Inflation (CPI %)



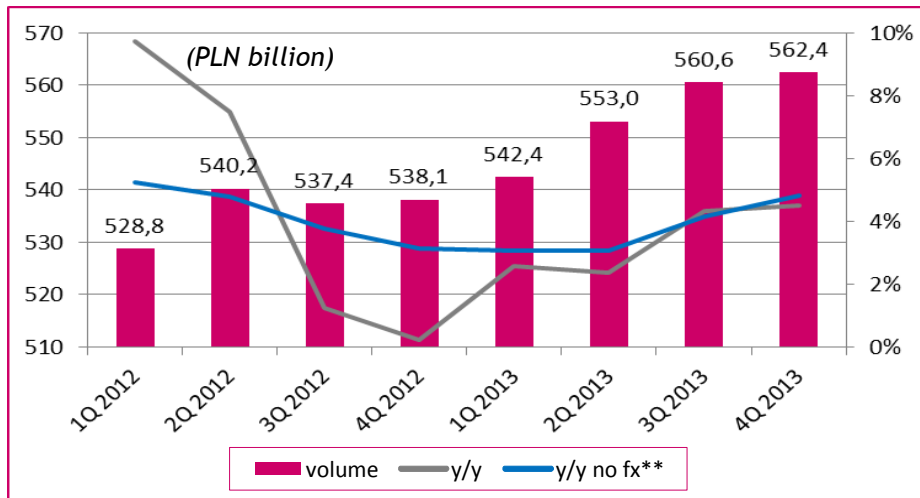
Investments & Private Consumption



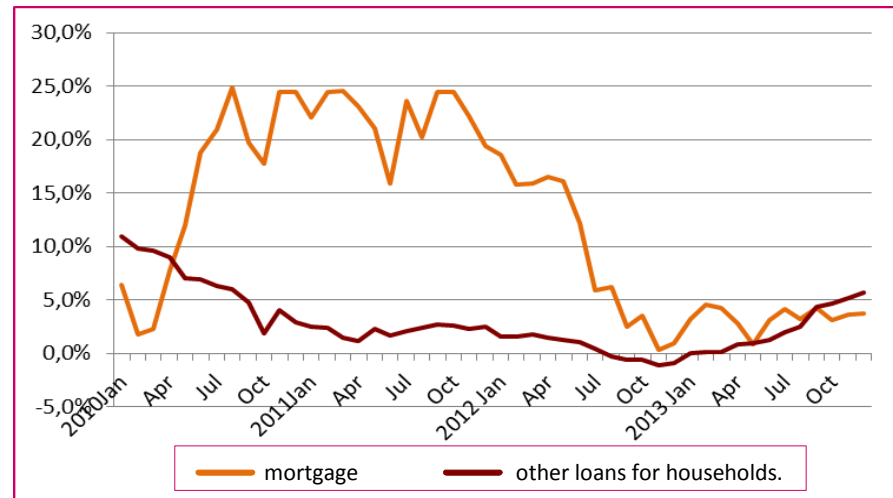
\* Estimation

# Macroeconomic Overview

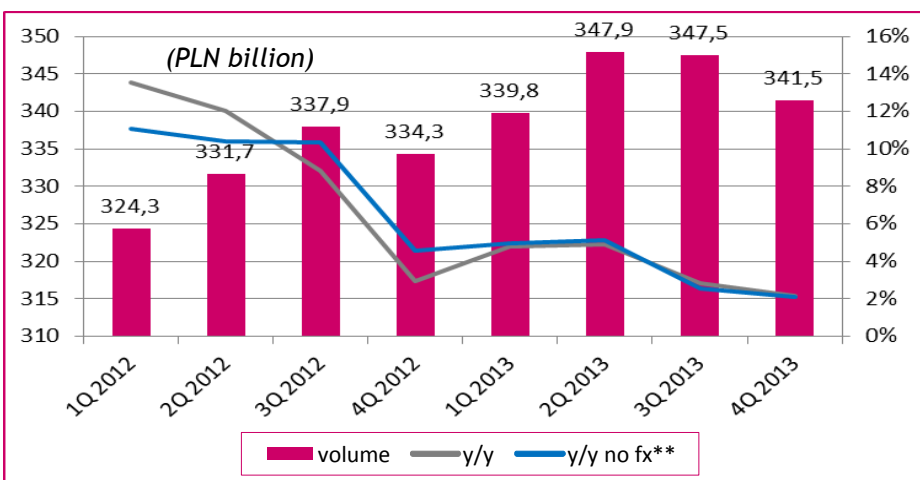
## Loans to households [% y/y]



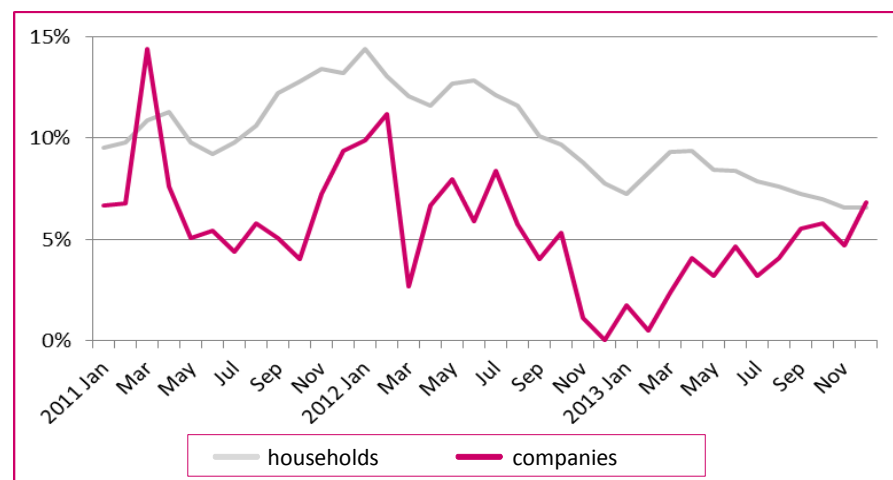
## Loans to households [% y/y]



## Loans to corporate sector \* [% y/y]



## Deposits in the Polish banking sector [% y/y]



\* Corporate sector = all domestic sectors - households

\*\* FX rate anchored at the level from 31.12.2010

Source: NBP, Bank Millennium calculations

# Macroeconomic Overview

## Macroeconomic scenario for 2014

	2012	2013 Estimation	2014 Forecast
GDP (growth, %)	1,9	1,6	3,2
Private consumption (growth, %)	1,2	0,8	2,3
Investments (growth, %)	-1,7	-0,4	4,5
Current account balance (% GDP)	-3,7	-1,9	-2,8
Inflation (average, %)	3,7	0,9	1,8
Registered unemployment (%)	13,4	13,4	13,0
Reference rate (% , end of period)	4,25	2,50	3,00
WIBOR 3M (% , end of period)	4,14	2,71	3,20
EUR/PLN (end of period)	4,08	4,15	4,05
CHF/PLN (end of period)	3,39	3,39	3,27
USD/PLN (end of period)	3,09	3,01	3,15

Source: National Bank of Poland, CSO, Reuters and Bank Millennium forecasts

# Agenda

Macroeconomic overview

**Financial performance**

Business development

Appendixes

# Main financial highlights of 2013

Improvement of profitability  
and strong share price increase

Revenue growth with positive  
interest income evolution  
(despite low interest rates)

Lower costs and provisions

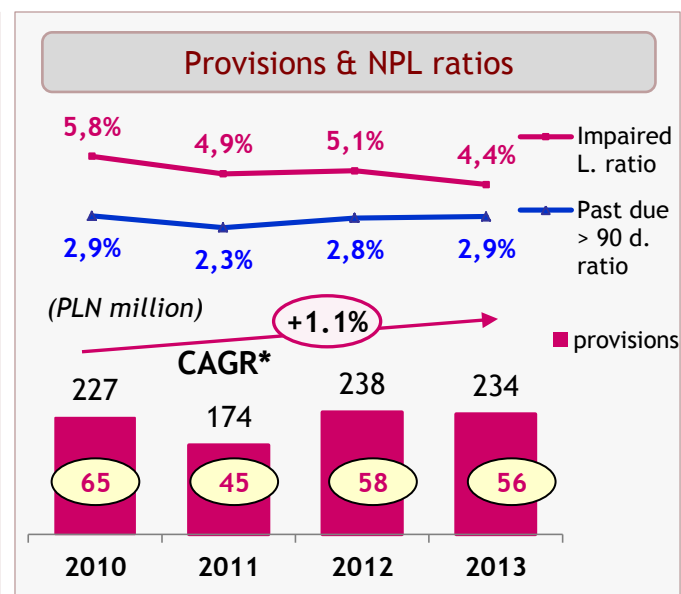
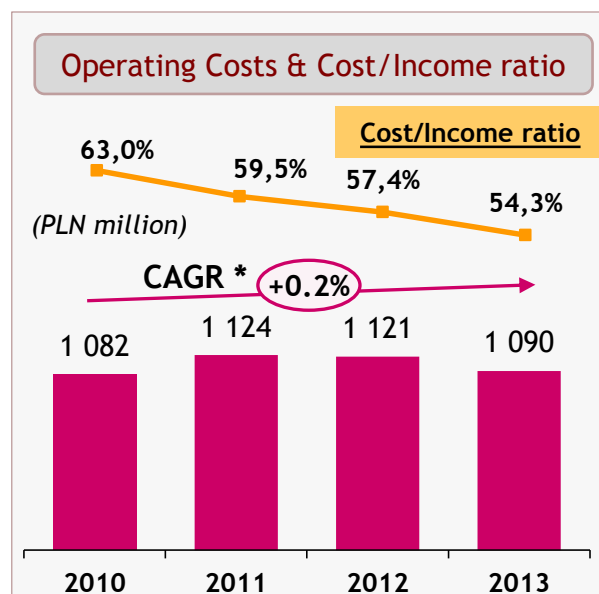
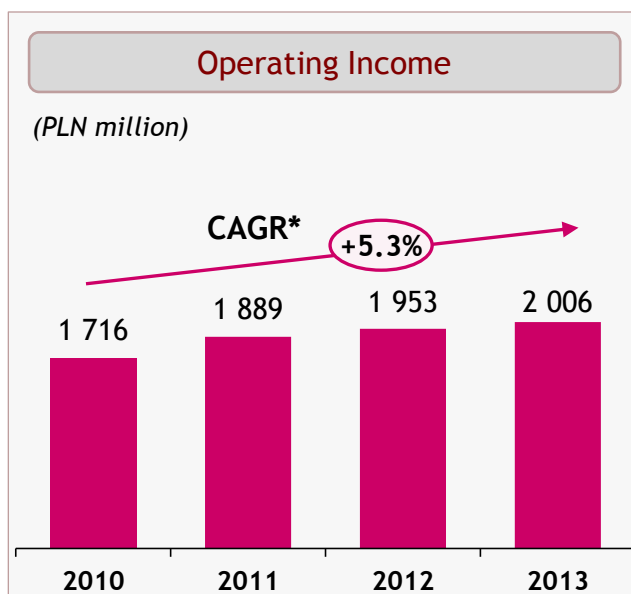
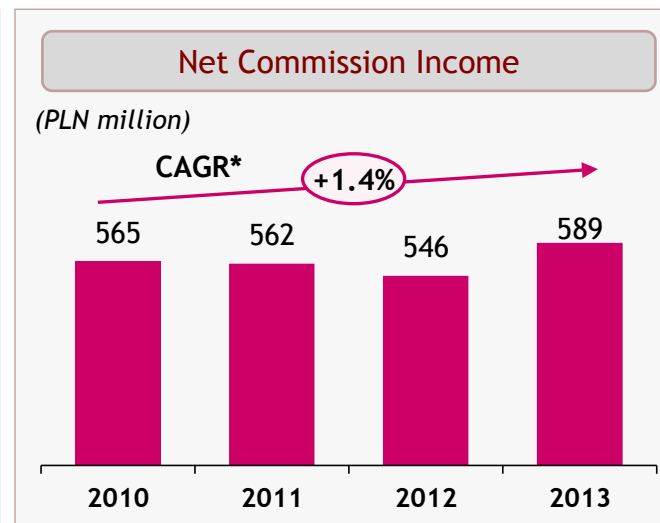
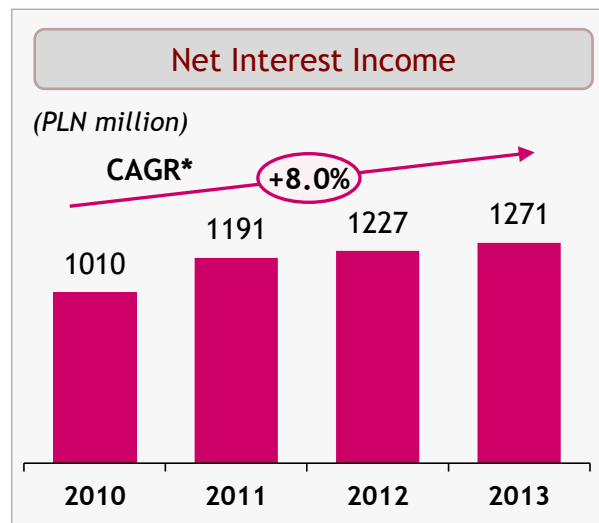
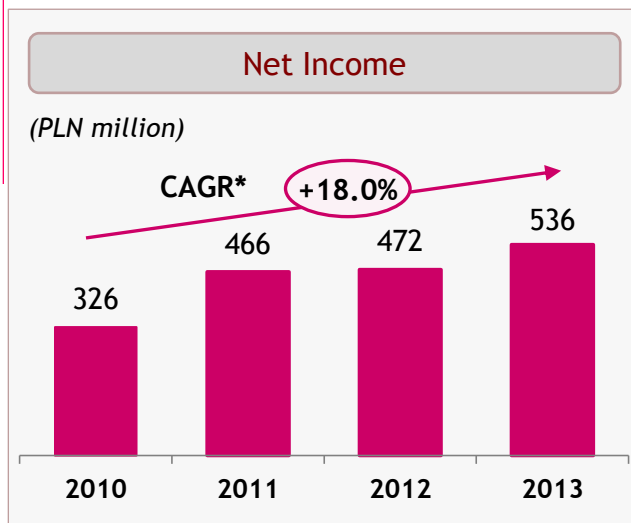
Three strong pillars kept:  
asset quality  
liquidity  
capital

- 2013 net profit at PLN 536 million; 13.5% up y/y
- Bank's share price on WSE grew by 63% - the highest among the biggest listed banks
- ROE at 10.6% and C/I at 54.3%
- Net interest income up 4% y/y (on pro-forma) and 5% (on accounting basis)
- Net commissions up 8% y/y
- Operating income at record PLN 2,006 million level
- Operating costs in 2013 dropped 3% y/y
- Provisions slightly lower: -2% y/y
- Cost of Risk at stable 56 b.p.s.
- Impaired loans ratio at 4.4% (less 0.7 p.p. y/y)
- Loan-to-deposits\* at 92%
- Core Tier 1 at 13.4% and total CAR at 14.5%

\* Includes Bank's bonds and debt securities sold to individuals and repo transactions with customers



# Summary of 2010-2013 achievements



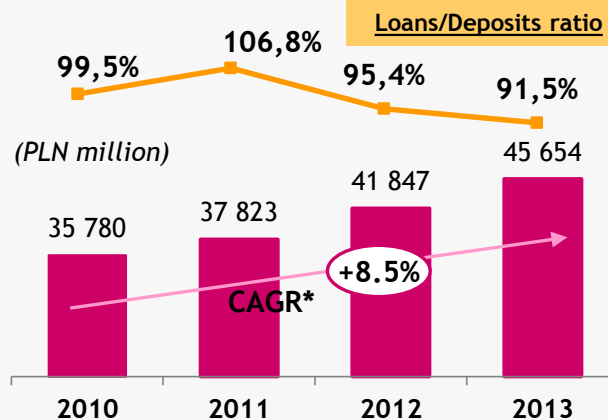
\* Compound average growth rate



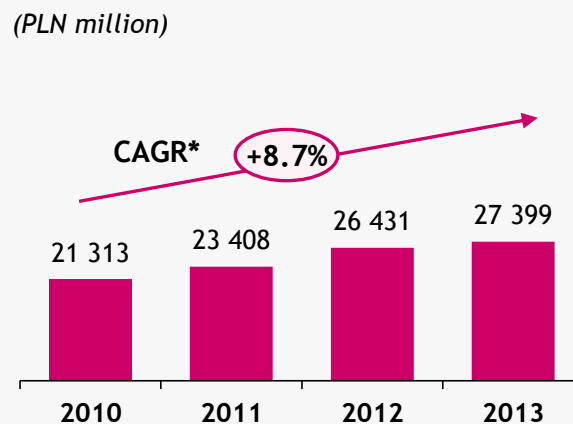
... Cost of Risk (in b.p.s. over average net loans)

# Summary of 2010-2013 achievements

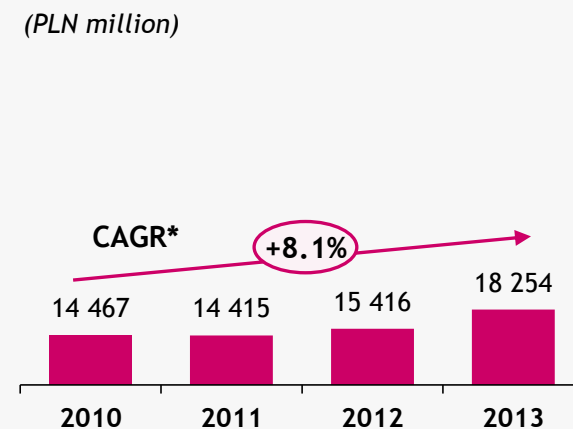
## Deposits & Liquidity



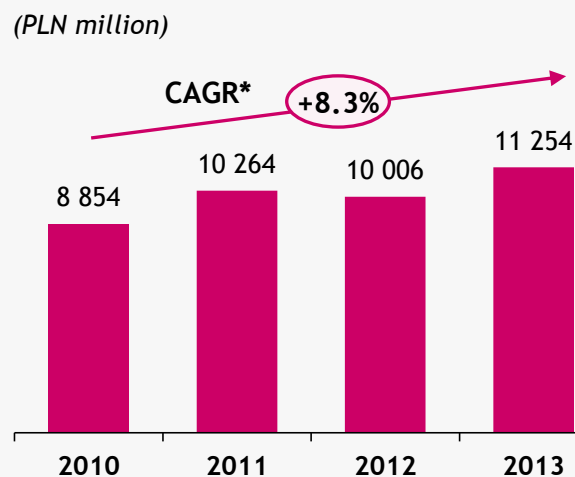
## Deposits of Individuals



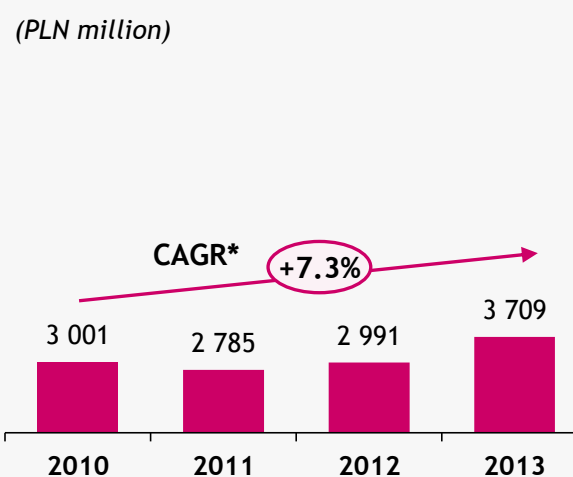
## Deposits of Companies



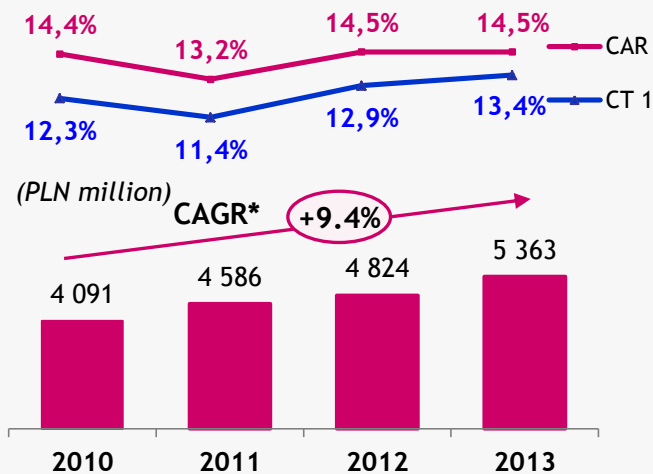
## Companies Loans



## Consumer Loans

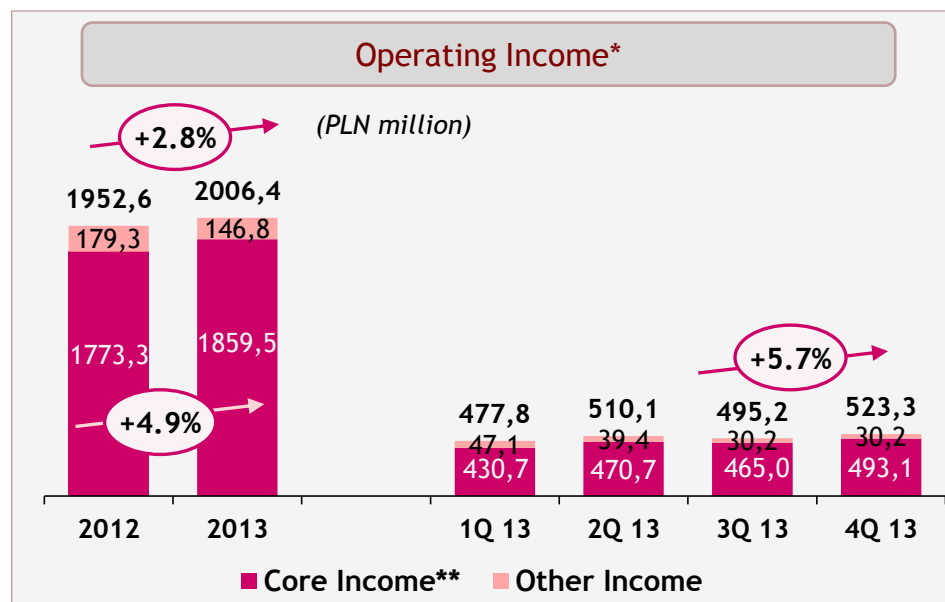
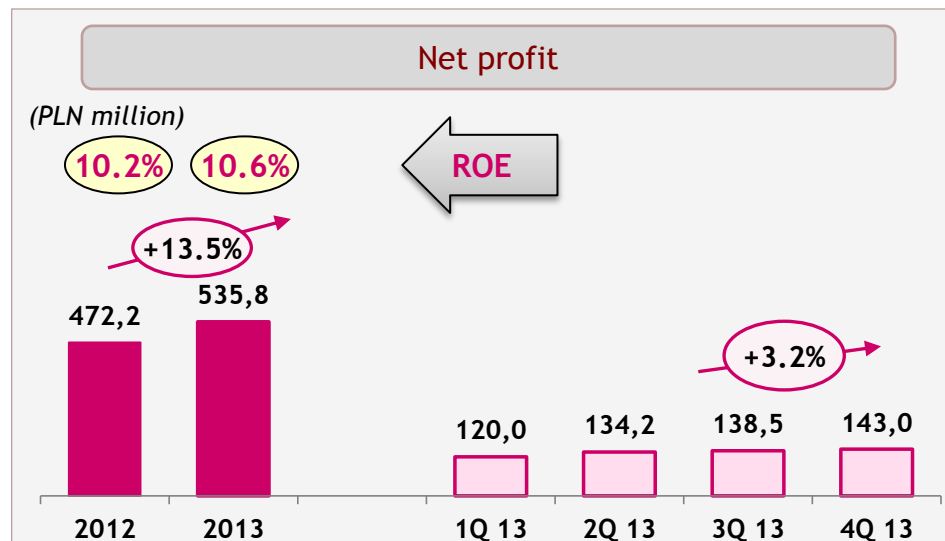


## Equity and capital ratios



\* Compound average growth rate

# Profitability

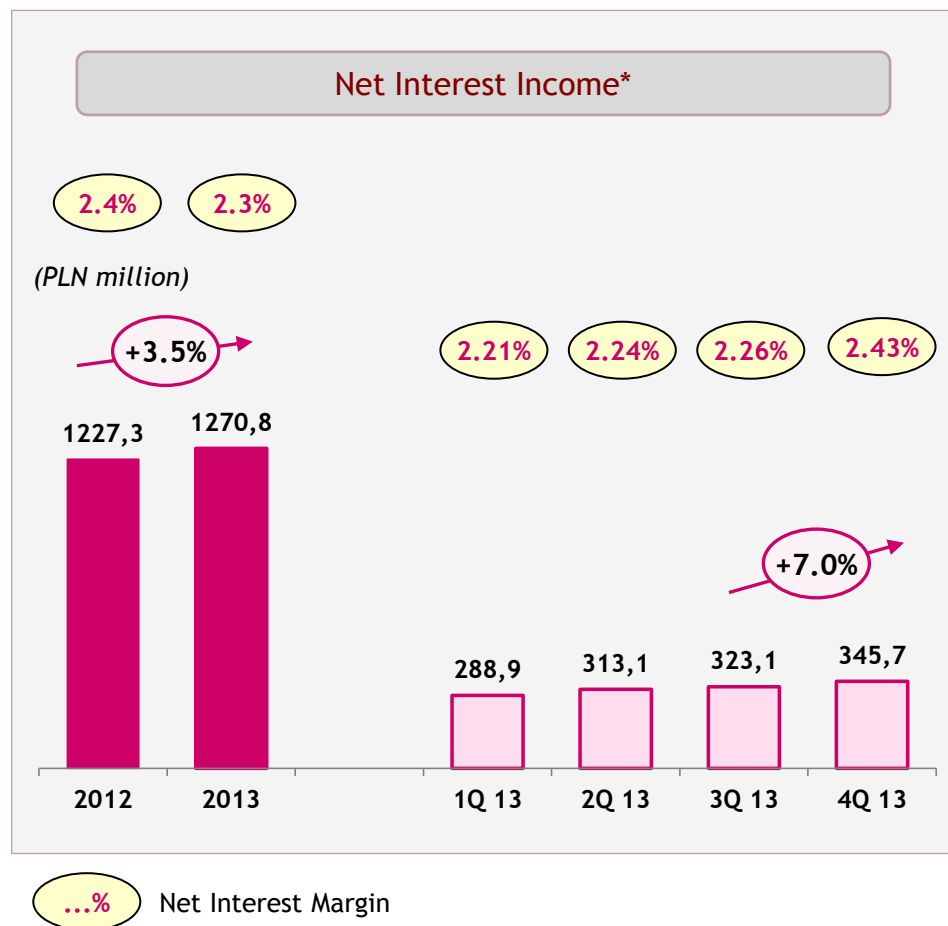


- 2013 Net Profit at PLN 536 million i.e 13.5% higher than in the corresponding period of last year.
- Main drivers of profit growth were: core income\* (+4.9%), lower costs (-2.8%) and lower provisions (-1.7%).
- Continued quarterly growing trend of net profit
- Total operating income\*\* in 2013 increased by 2.8% y/y and crossed PLN 2 billion.

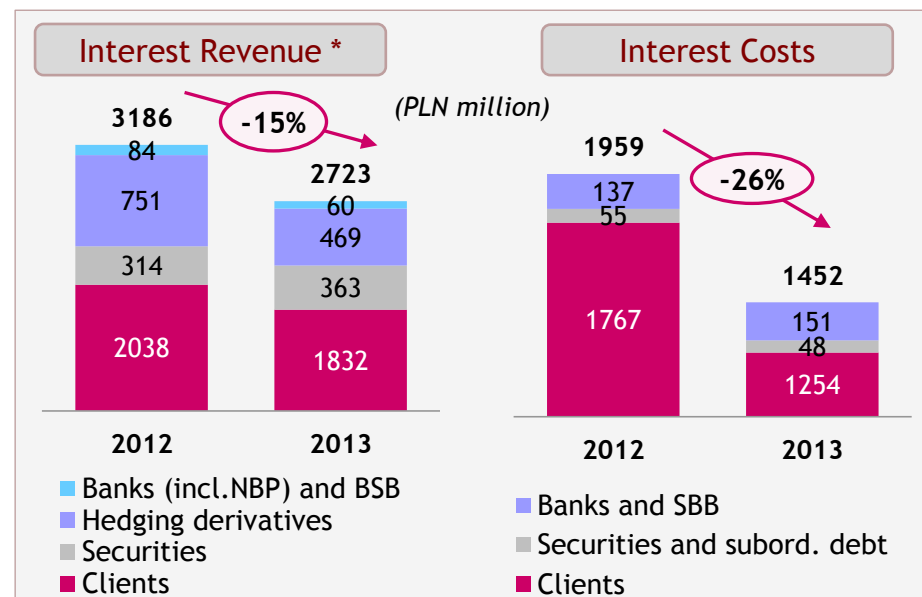
\* Net Interest Income + Net Commissions Income

\*\* Including net other operating income and cost

# Net Interest Income



- Net Interest Income\* grew by 3.5% yearly despite a significant drop of market rates (average WIBOR 3m) by 188 bps yearly.
- Just in 4Q Net Interest Income\* grew by 7%, mainly thanks to deposits cost reduction of PLN 27.3 million, while interest revenue on loans and derivatives fell only by 2.5 million.
- Net Interest Margin in 4Q'13 reached 2.43% and improved by 17 bps versus 3Q'13.

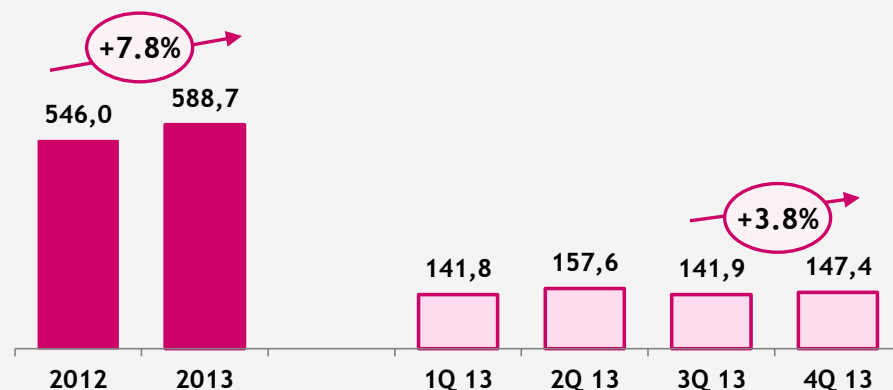


\* Pro-forma data. Margin from all derivatives hedging FX denominated loan portfolio is presented in interest revenue (hedging derivatives) and NII, whereas in accounting terms part of this margin (PLN 50.8 million in 2013 and PLN 66.1 million in 2012) is presented in Result on Financial Operations.

# Non-interest Income

## Net Commission Income

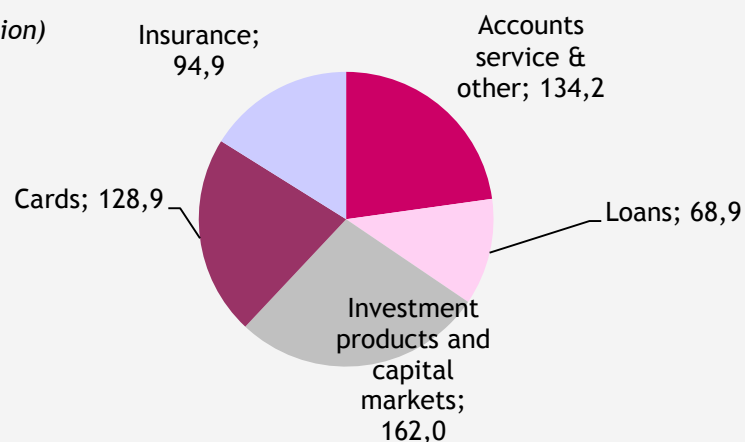
(PLN million)



- Net Commissions in 2013 increased visibly by 7.8% yearly. The main driver were fees from sale of investment products (own and third parties) and insurance.
- Other non-interest income\* in 2013 fell by 18.1% y/y compared to previous year, with stable FX gains (PLN 162.2 million) and lower result on other financial instruments.

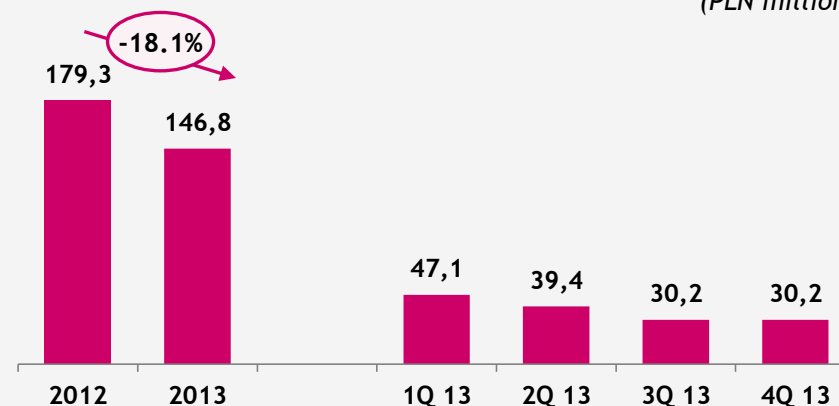
## Net Commission split for 2013

(PLN million)



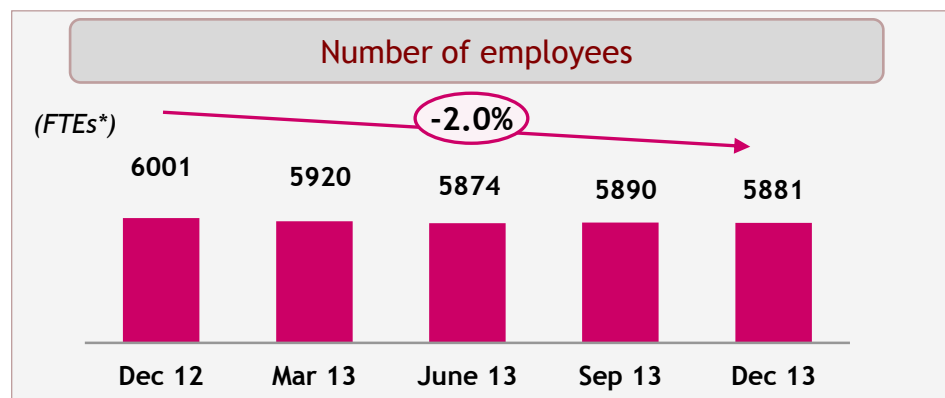
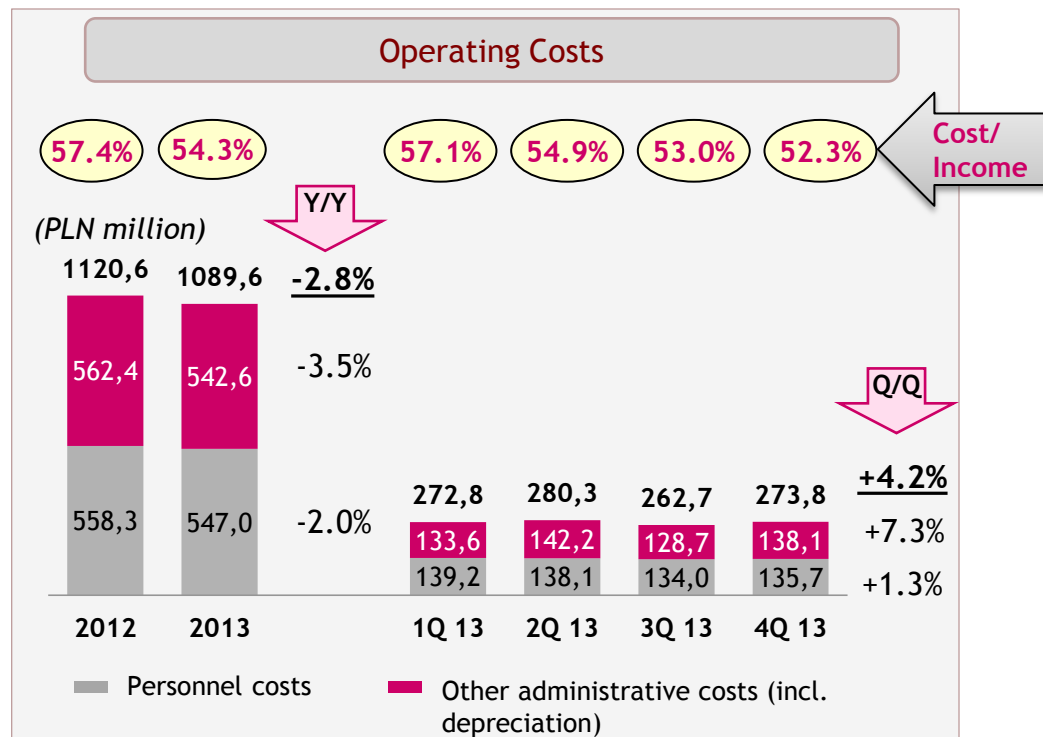
## Other Income\*

(PLN million)



\* On pro-forma basis, including FX income, result on financial operations, dividends and other operating income and costs.

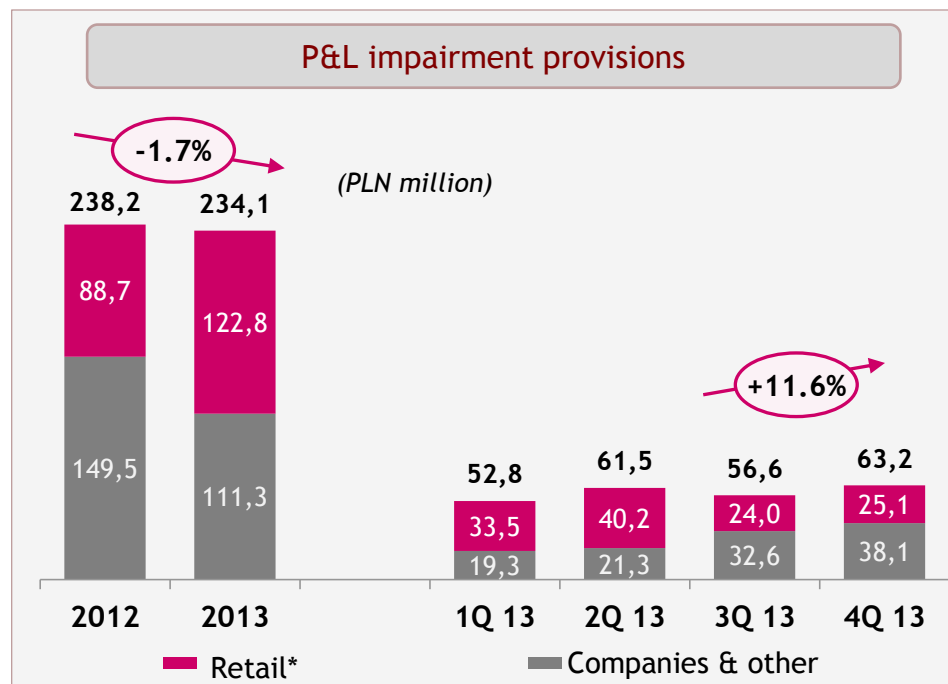
# Operating Costs



\* Full time equivalents

- Total costs in 2013 decreased by 2.8% y/y.
- Cost-to-Income ratio improved to a record low of 52.3% in 4Q'13 and 54.3% ytd, being well on track to achieve 50% medium-term goal.
- Total other administrative costs (including depreciation) decreased by 3.5% y/y (or by 5.5% y/y if excluding marketing costs). The quarterly increase of this cost group was caused mainly by higher marketing costs and typical seasonality in 4Q.
- Personnel costs dropped by 2.0% y/y. Total number of employees decreased by 2% in annual horizon (to 5881 FTEs).

# Cost of Risk



- Provisions created for credit risk in 2013 (PLN 234.1 million) were lower by 1.7% than the provisions created in 2012.

- The relative measure of cost of risk (total provisions made in the period over average net loans) reached 56 bps in 2013 i.e. lower than year ago and within the range expected at the beginning of the year.

**Cost of Risk over average net loans**

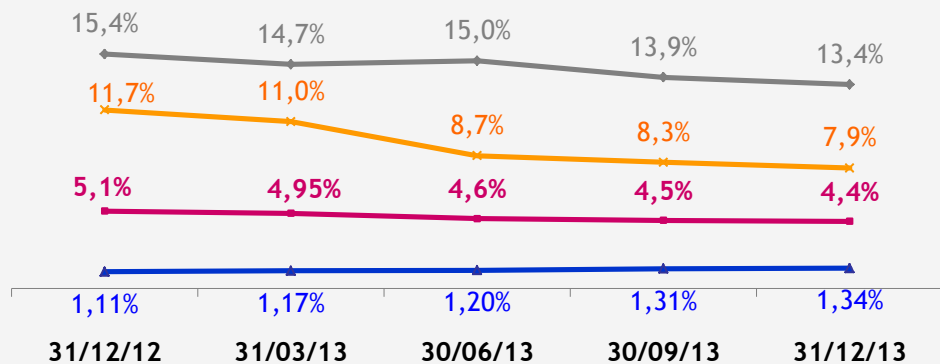
(in bps)

	2012	2013
MORTGAGE	14	12
OTHER RETAIL*	146	222
COMPANIES	154	108
<b>TOTAL</b>	<b>58</b>	<b>56</b>

\* according to internal segment division of the Bank

# Asset quality

## Impaired loans ratio by products



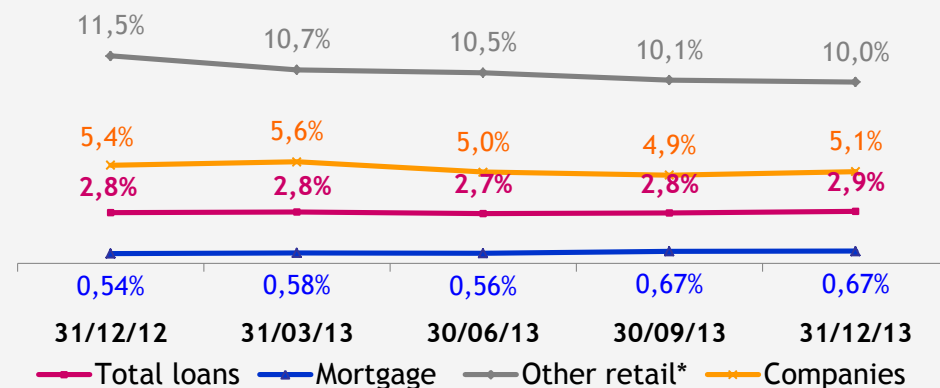
## Coverage ratio \*\*

Retail\*: 69%

Companies: 69%

Total: 69%

## Past-due loans (90 days) ratio by products



## Coverage ratio \*\*

Retail\*: 104%

Companies: 108%

Total: 106%

- Impaired loans ratio during 2013 year dropped from 5.1% to 4.4% at the end of year.
- In the same time loans past-due over 90 days remained stable at 2.8-2.9%.
- Coverage ratio of impaired loans significantly improved during the year from 59% to 69%;
- Coverage of loans past-due over 90 days remains at high 106% level.

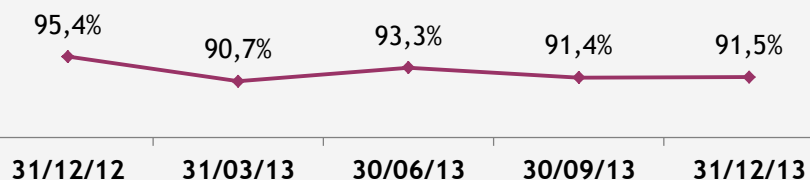
\* According to internal segment division of the Bank

\*\* Coverage of gross impaired and gross past-due 90 days loans by total provisions (incl. IBNR)



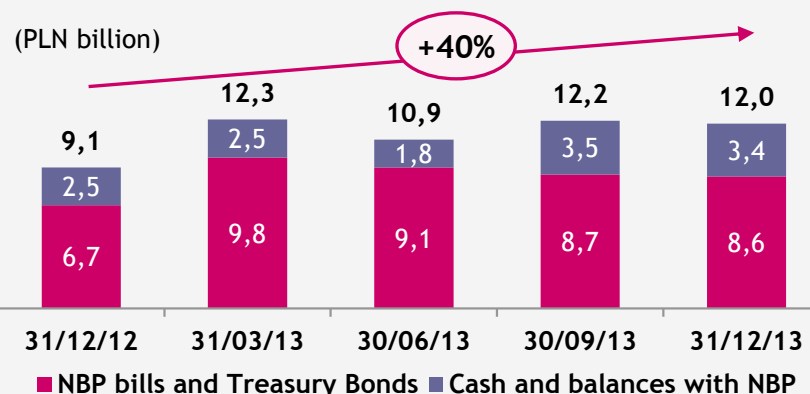
# Liquidity and capital

## Loan-to-Deposit Ratio \*

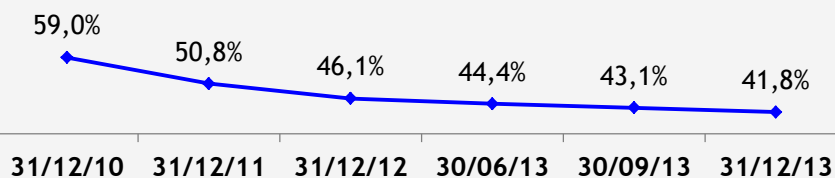


## Liquid assets evolution

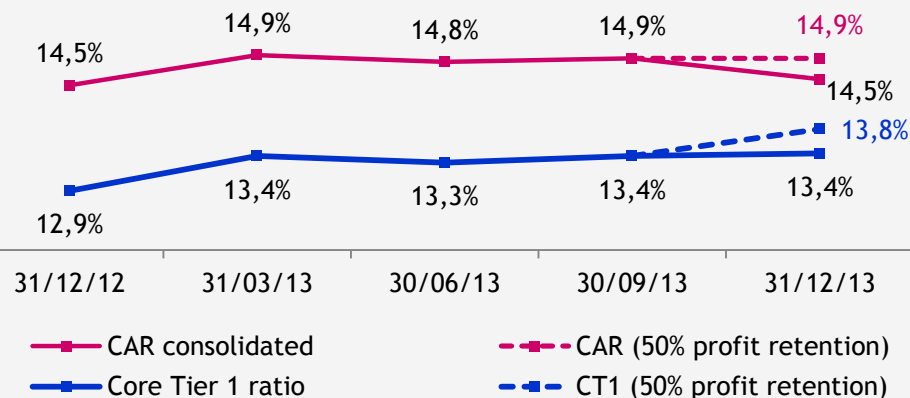
(PLN billion)



## Share of FX mortgage in total gross loans



## Evolution of Capital Adequacy Ratio \*\*



- Loan-to-deposit ratio improved during 2013 from 95.4% to 91.5%.
- Share of FX mortgage loans in the Group's loan portfolio continued to gradually decrease and dropped to 41.8% at the end of 2013.
- Consolidated CT1 ratio grew during the year to 13.4% and total CAR remained on solid 14.5% level. These ratios do not include retained earnings for 2H'13. Assuming proposed dividend distribution of 50% Group's net profit, CAR will grow to 14.9% and CT1 to 13.8%.

\* Includes Bank's bonds and debt securities sold to individuals, repo transactions with customers and securitisation of leasing assets.

\*\* Since Dec 2012 calculated with IRB approach to most of the retail exposure classes but capital requirement still include a temporary constraint.

# Dividend payment proposal

## Rationale for dividend proposal

- Bank Millennium fulfills on solo and consolidated basis the guidelines recommended by PFSA concerning possibility of dividends distribution
- Expectation of further improvement of the solvency ratio within the IRB project
- The proposed dividend still ensures further increase of strong capital base that:
  - ✓ *will support the growth of the business*
  - ✓ *would absorb impacts from regulatory changes*
  - ✓ *provide a cushion for potential significant depreciation of the zloty*

## Management Board recommends to submit to the next AGM the following proposal:

- Distribution of dividends related to 2013 Net Profit with a pay-out ratio of 50% of the consolidated net profit
- Amount to be distributed as dividend: 267 PLN mln
- Dividend per share: 0.22 PLN
- Dividend yield: 3,1%\*

\* For the share price of PLN 7,20 as on 30 Dec 2013

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**Business development**

Appendixes

## Main business highlights in 2013

Improvement of funding structure and cost

- Solid growth of customer funds by 10.9% y/y
- More balanced structure of deposits, with higher share of current and saving accounts (over 50% in retail)
- Continuation of margin improvement on deposits

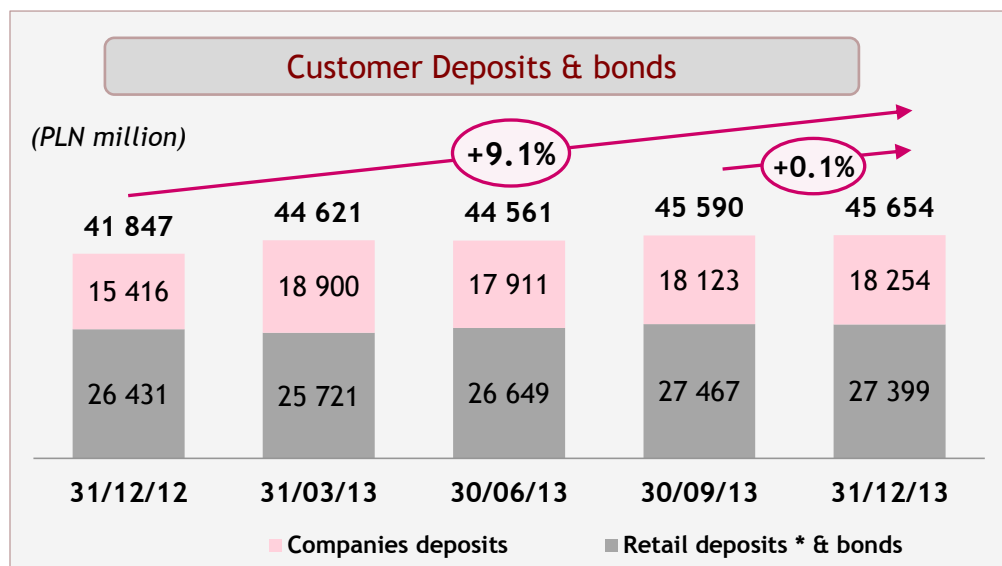
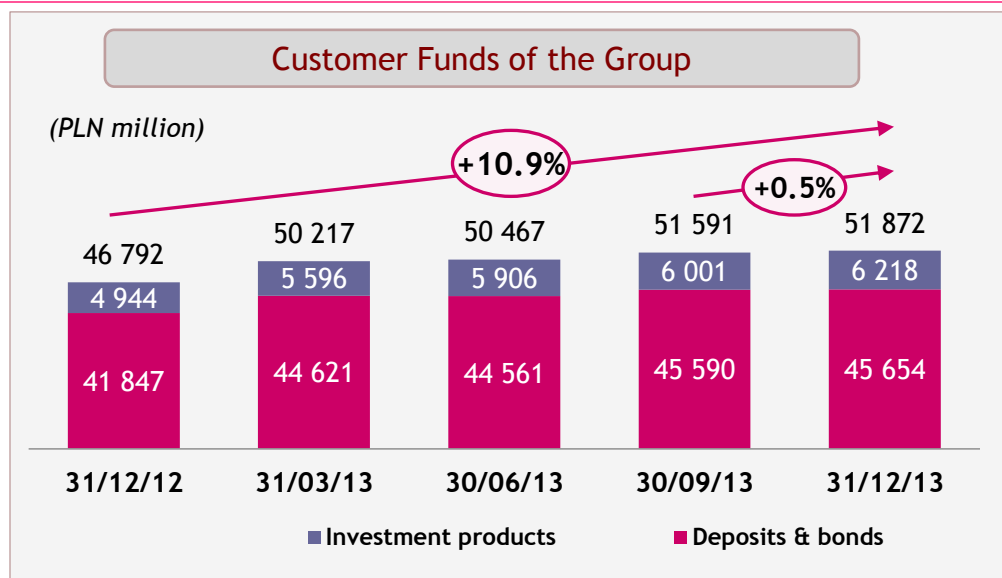
Strategic change of asset mix continues

- Cash loans sales at PLN 1,785 million in 2013, up 77% y/y
- Loans to companies grew by PLN 1,248 million (12.5%) y/y
- High quarterly sales of factoring and leasing; +47% and 53% versus 4Q'12 respectively
- Growing share of non-mortgage loans

Quality awards prove excellence in service level

- The most „Friendly Bank for retail customers” by Newsweek
- Awarded „Best Consumer Internet Bank” by Global Finance

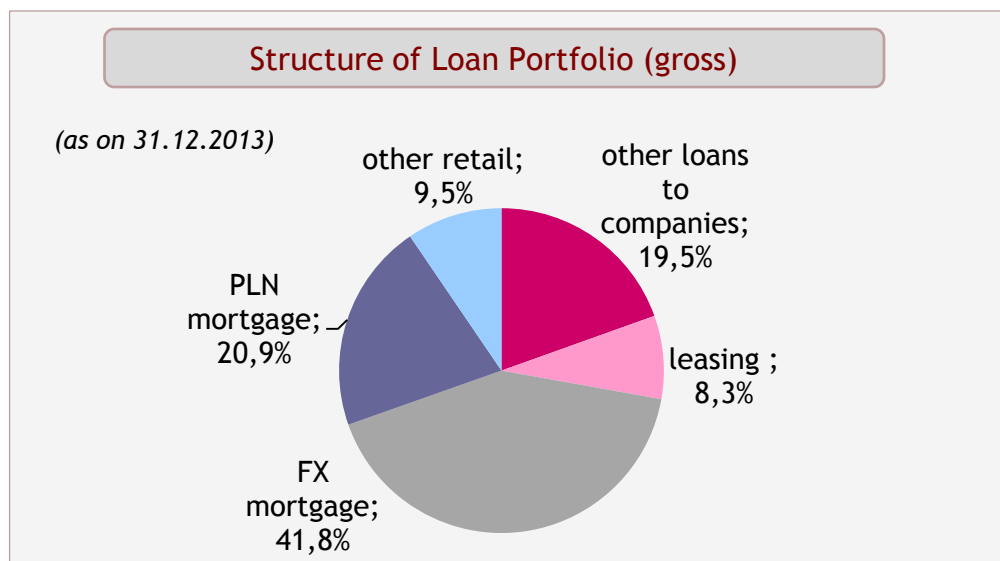
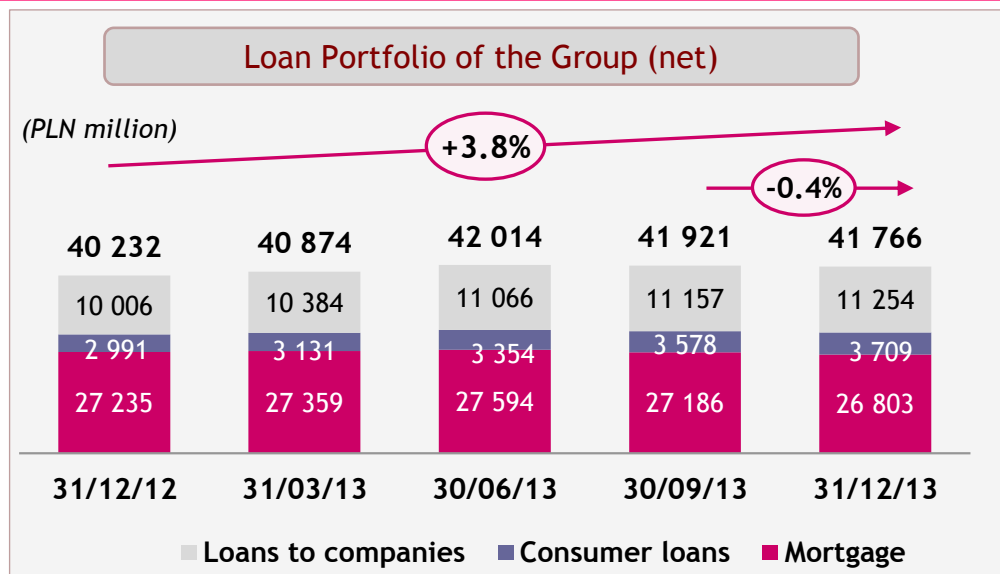
# Customer funds



- Customer funds of the Group kept solid growth rate: 10.9% y/y (+0.5% q/q).
- Total deposits grew by 9.1% y/y (+0.1% q/q) reflecting positive trend in both retail (+1 billion PLN) and corporate (+2.8 billion PLN) deposits.
- Off-balance sheet investment products continued strong growing trend: +26% y/y and +3.6% q/q.

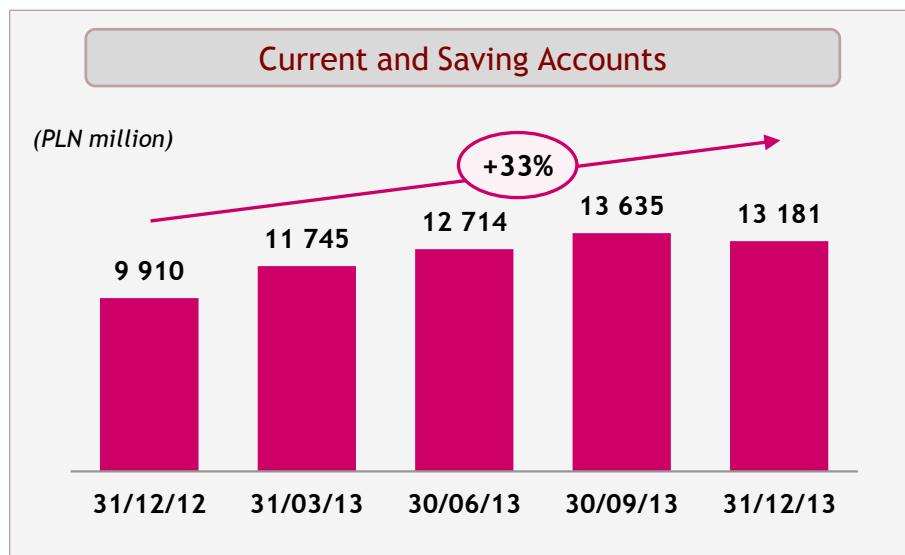
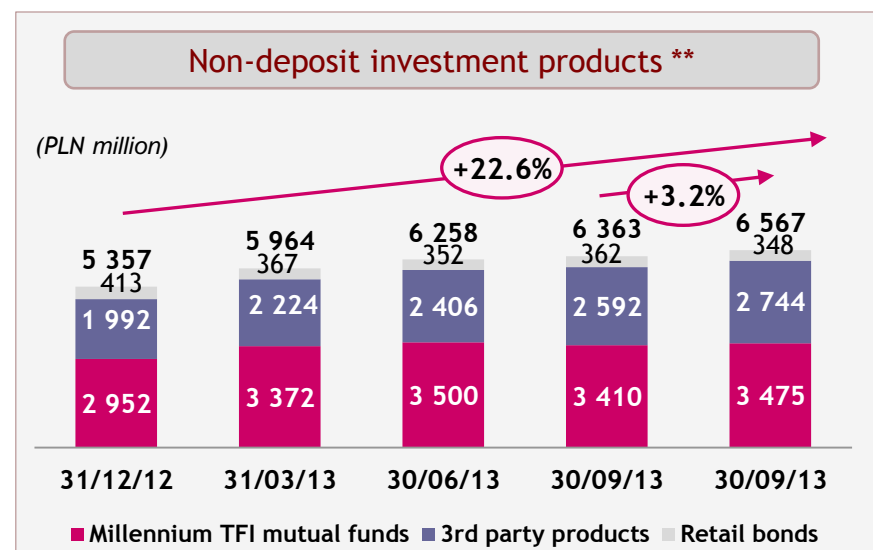
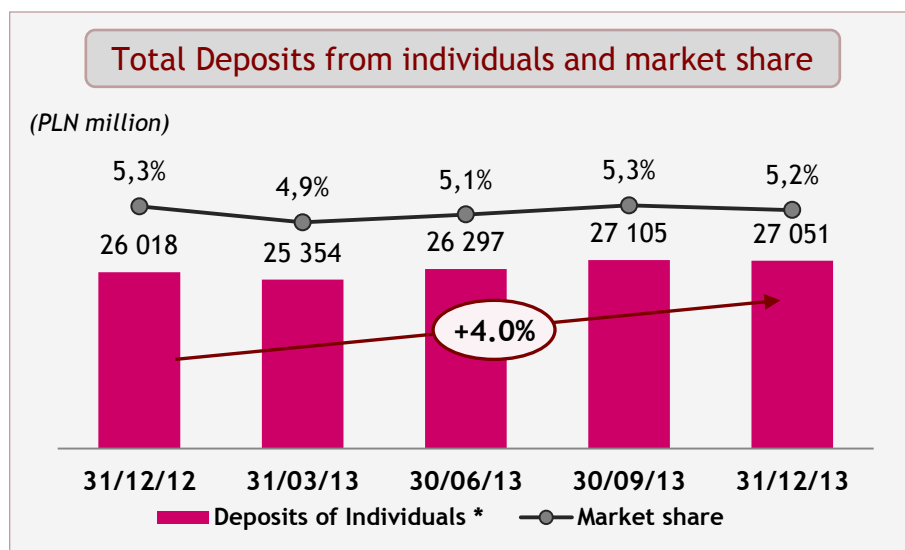
\* Include balance of saving-insurance product presented as corporate deposit in the financial statements

# Loan portfolio



- Bank Millennium presented growing loan portfolio: +3.8% y/y (similar to total market dynamics) driven by strong growth of non-leasing corporate loans (+15.1% y/y) and consumer loans (+24% y/y).
- In quarterly perspective, growth of cash and corporate loans helped to offset the decrease in FX mortgage loans.
- Total mortgage loans decreased slightly by 1.6 % y/y and amounted to 26.8 billion PLN, however loans denominated in PLN keep good dynamics: +8.6% y/y.

# Retail business results - deposits

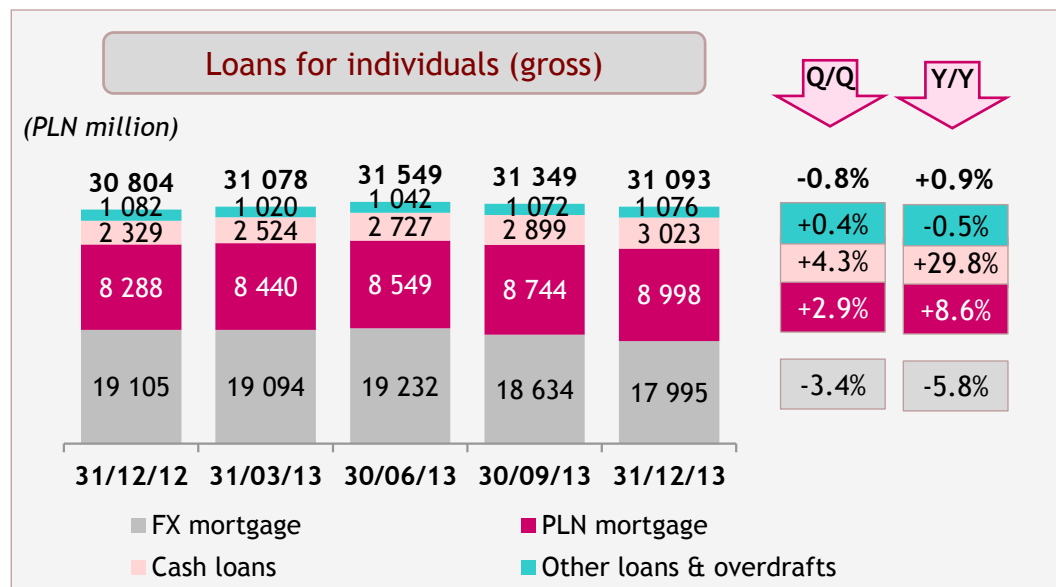


- Retail deposits grew by 1 billion PLN in 2013 (+4% y/y) combined with improving interest margin.
- Current and saving accounts grew by 33% y/y (+3.3 billion PLN) constituting more than 50% of total retail deposits.
- Continued growing trend of non-deposit investment products (+23% y/y, +3% just in 4Q'13)

\* Include balance of saving-insurance product presented as corporate deposit in the financial statements

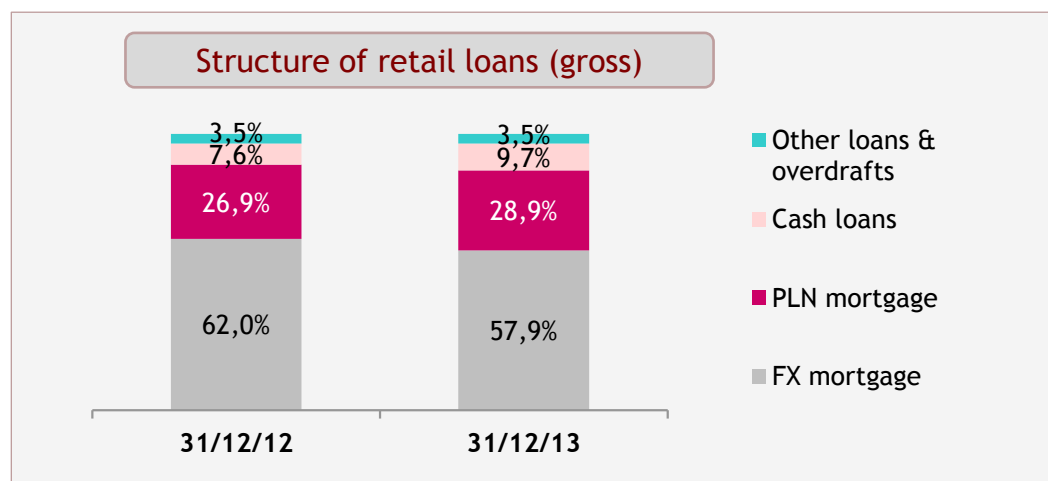
\*\* Include own and third party mutual funds, insurance (SPE, SPUL) saving products and structured bonds/BPWs sold to retail customers

# Retail business results - loan portfolio



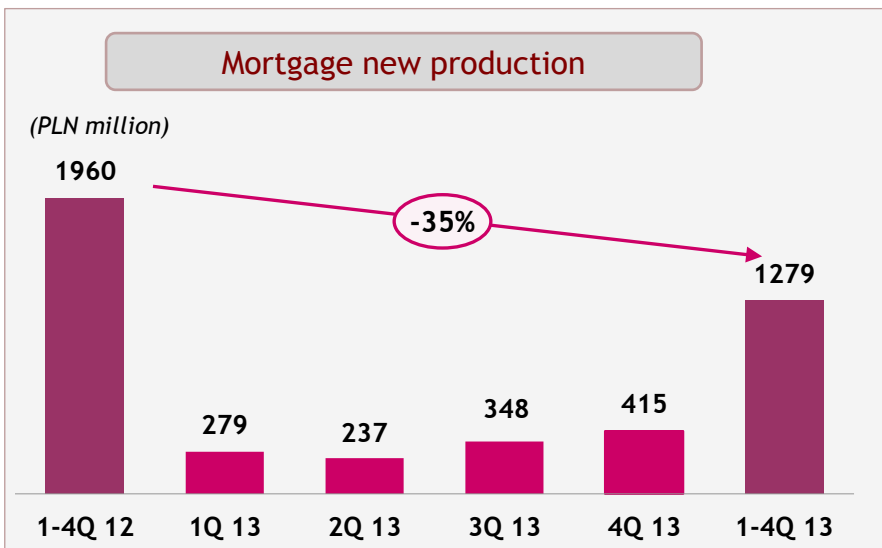
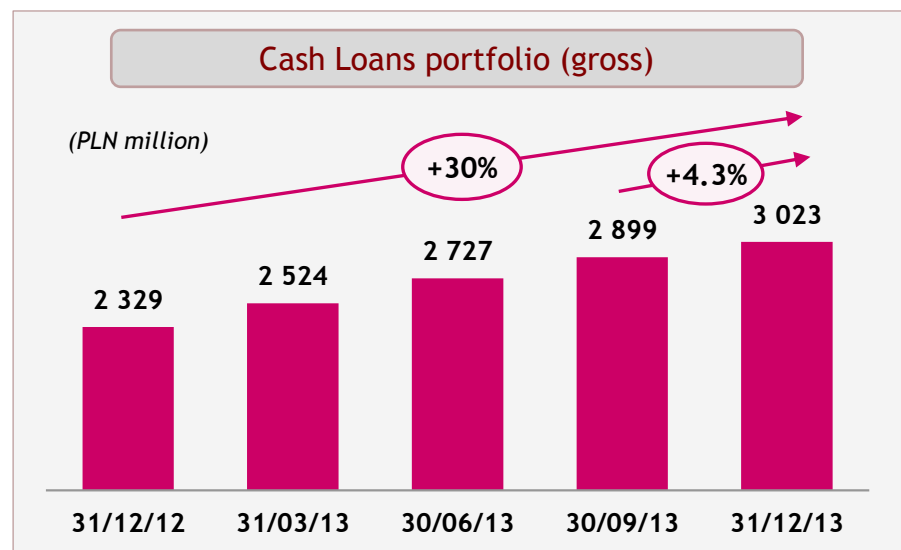
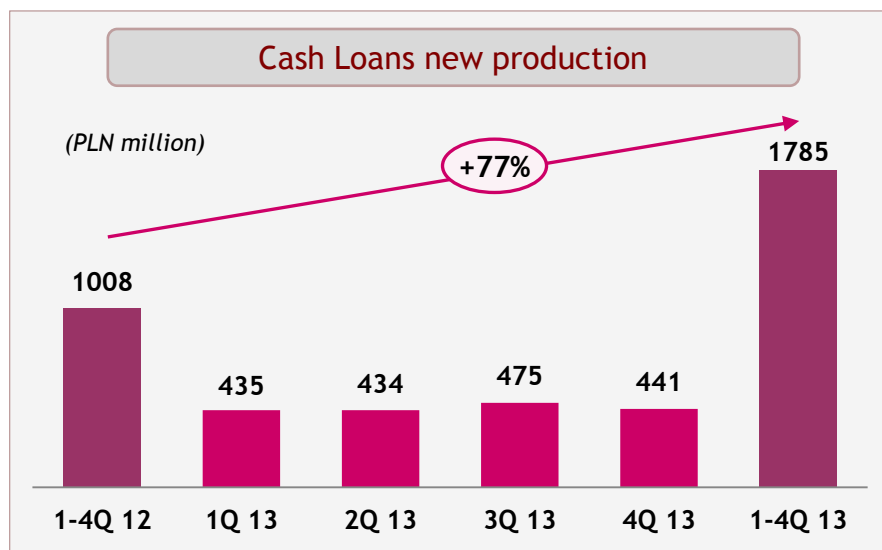
- Although total loans for individuals grew only by 1% y/y, the two groups of loans presented strong growing trend: cash loans (+30% y/y) and PLN mortgage loans (+8.6% y/y).

- FX mortgage loans continued to decrease both yearly (by 5.8%) and quarterly (by 3.4%).





## Retail business results - cash loans



- Strong sale of cash loans during in 2013 (PLN 1.8 billion) resulted in 77% higher sales compared to 2012.
- As a result, cash loan portfolio continues to grow: 4% quarterly and 30% yearly; consumer loans market share (excluding cards loans) increased 55 bps in 2013
- The sales of the new mortgage loans in 2013 amounted to PLN 1.3 billion and was by 35% lower compared to 2012, but the rebound in the 2nd half in quarterly sales is visible.

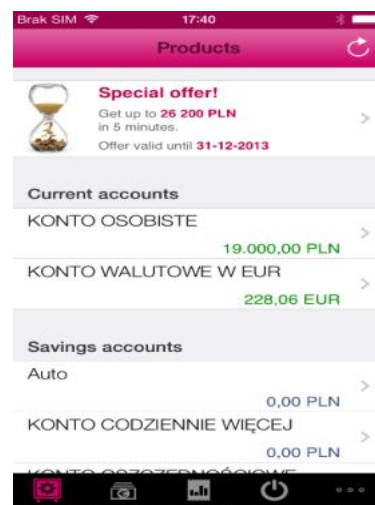
# Strong growth on digital channels usage in retail

## Online Banking



- New Transactional site - Full customer base adoption in 1 month
- 2013 Global Finance **Best Internet Bank Country Winner**
- **First Bank in Poland awarded the “Website Without Barriers”** for disabled, certificate
- Active transactions: +22% y/y
- 52% share in total deposits sales \*, 15% in cash loans, 34% in new overdrafts and 45% in overdrafts limit increase sale \*

## Mobile Banking



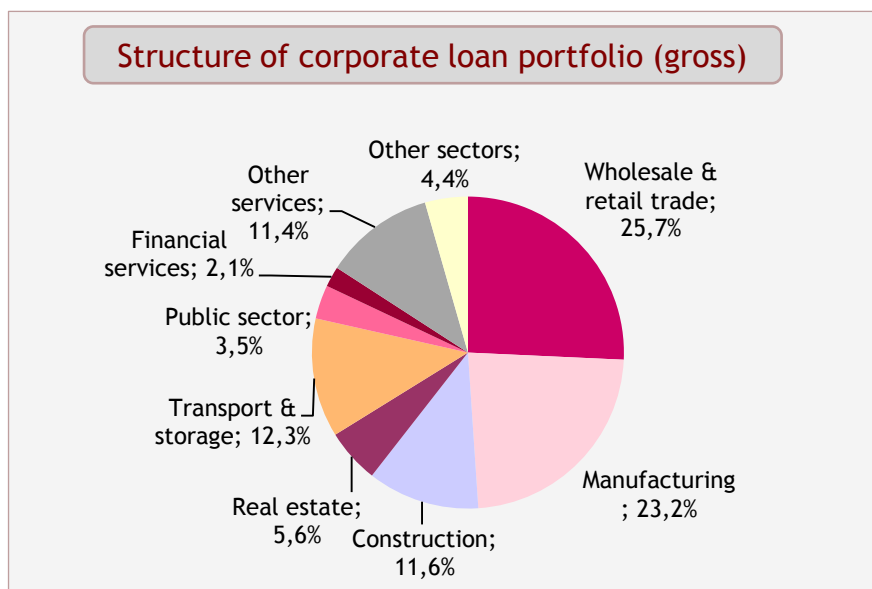
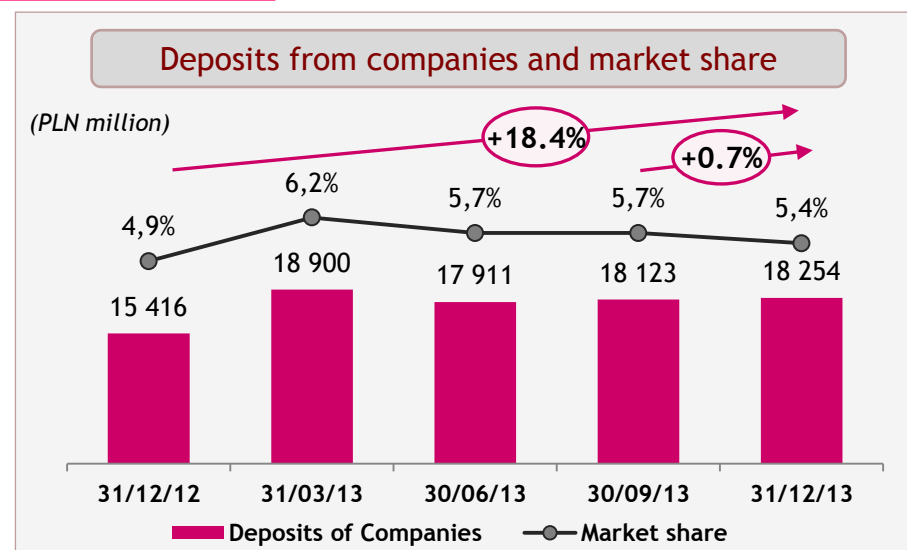
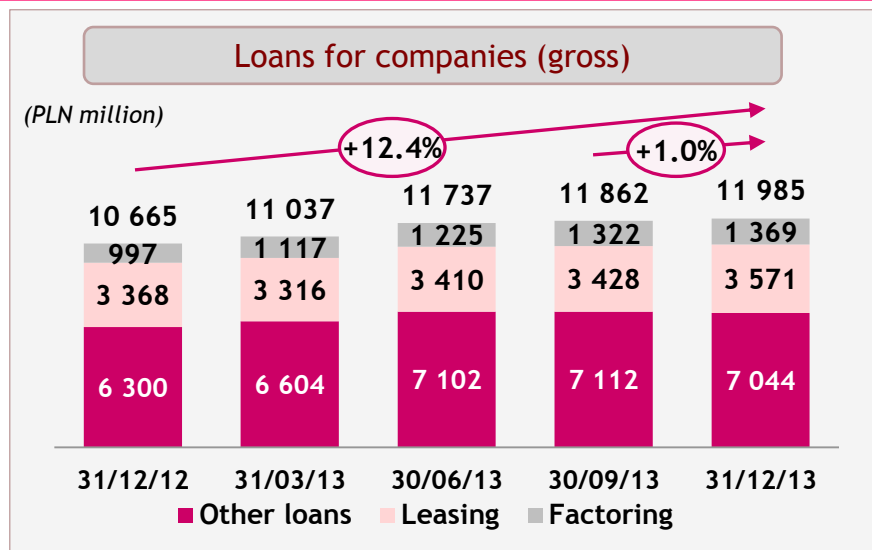
- 150k downloads, 700k payments
- Mobile logins: +62% y/y
- First Bank in Poland launching instant loans and credit card limit increase
- First Bank in Poland launching windows 8 tablet application

**Innovative ATM service** - First Bank in Poland, launching cash loans and term deposits in ATMs



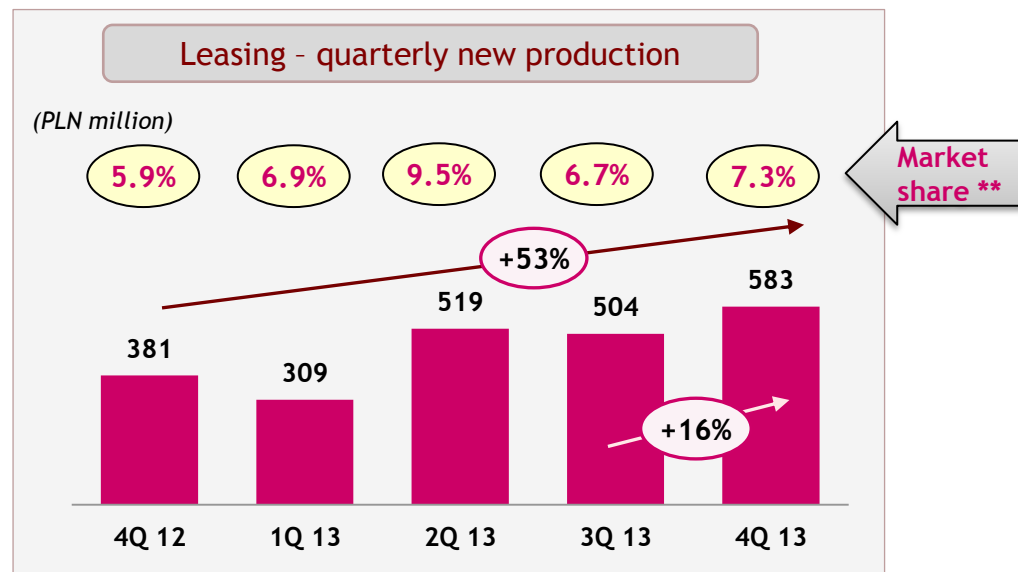
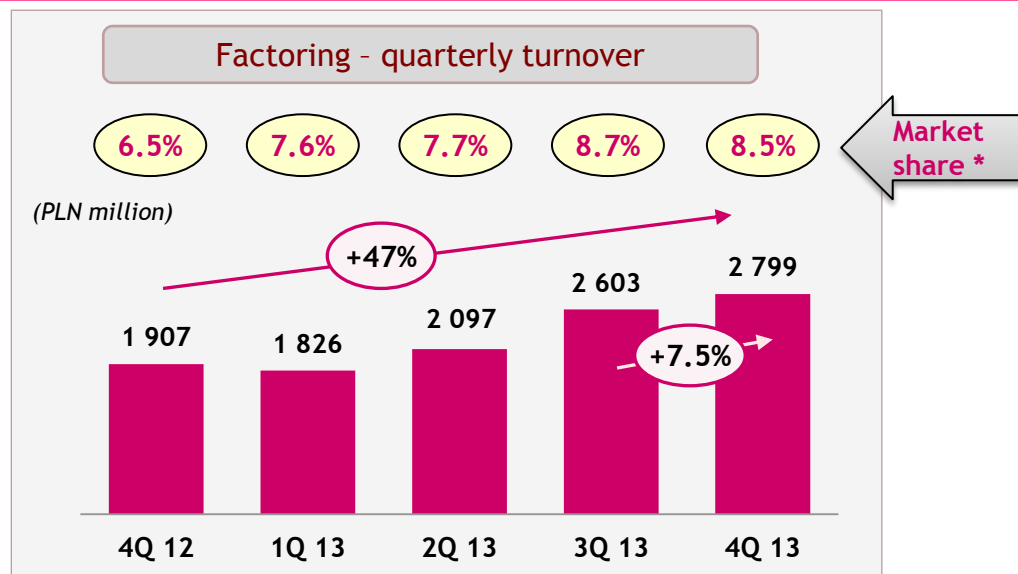
\* Share in total volumes of products sold by the Bank

# Companies business results - loan and deposits



- Loans to companies visibly grew in 2013 by 12.4% or 1.25 billion PLN whereas total market grew 3.3% only.
- Companies deposits grew strongly by 18.4% y/y or 2.8 billion PLN; market share at high 5.4% level.

# Companies business results - leasing and factoring



- Another record in factoring quarterly sales: PLN 2.8 billion which means strong 47% growth versus 4Q'12 (+7.5% q/q) translating into high market share (8.5% in 4Q'13).
- Leasing quarterly new sales kept much higher levels since 2Q'13 and in 4Q'13 it was exceptionally good: PLN 583 million, which was 53% higher compared to 4Q'12. Growth in leasing may indicate gradual rebound in companies' investments.
- Second highest market share in leasing new sales of movable assets for 2013 of 7.6%\*\*.

\* based on PZF and other banks data gathered by Parkiet daily

\*\* own estimations based on ZPL data (commitments); market share in movables

# Best-in-class digital capabilities for corporate

## Online Banking

- New transactional website launched
- High transaction volumes processing capabilities (import over 30k payments per batch)
- Payments: +35% y/y
- Advanced Trade Finance management services fully integrated on the online platform
- Single sign-on feature - instant login to multiple companies

## Mobile Banking



- Award winning mobile platforms:
  - Global Finance „Best mobile banking in CEE countries”
  - First Price in the contest „Market pearls - the choice of retailers” in the category Best Banking offer
- Extended Mobile platforms supported - Blackberry  
10 application launched
- During first year, reached 2,000 active users of corporate application

# Agenda

**Macroeconomic overview**

**Financial performance**

**Business development**

**Appendixes**

# Major awards and achievements in 2013 (1)

## Bank Millennium 2013 Service Quality Star



- Polish consumers have identified **Bank Millennium as one of 100 friendliest companies on the Polish market**. More than 3.5 million jurors voted online in the competition portal for Service Quality Stars in the 6th edition of the Polish Service Quality Programme. The award is presented to companies, which are most focused on customer service quality. It is a proof both of effectiveness of adopted standards as well as efficient business management. The awarded companies are seen by consumers to be recommended and trustworthy, with staff who are always there to help customers with their knowledge.

## Bank Millennium Bank Millennium among top three on the quality

- Bank Millennium moved four places up since last year and **came 2nd on the “Jakość na Bank” (Bank on Quality)** list of best banks in 2013, prepared by TNS Polska for the "Puls Biznesu" daily. The researchers visited 1600 branches of 20 banks, posing for customers interested in a cash loan. The survey focused on 8 standards: starting from how the visit began, through the appearance of the employee and the workplace, ability to analyse needs, presentation of the offer, way of closing the meeting and the atmosphere, in which the interview was held.

## Bank Millennium “Friendly Bank - Retail Customers”



- Bank Millennium won in the main **“Friendly Bank - Retail Customers”** ranking of best banks in Poland, prepared annually by the *Newsweek* magazine. In the **“Friendly Bank - Internet Bank”** ranking Bank Millennium came 2nd. The first time Bank Millennium was ranked among top 3 banks on the “Friendly Bank - Retail Customer” list in 2011 when the Bank came the third. Already a year later it moved up to the 2nd place to eventually win in this year’s edition. The ranking looked at the level of services provided to individual customers. Attention was given to many aspects, including features of bank outlets (organisation of customer service, cleanliness), quality of service (know-how of employees, way of engaging in a discussion, way of executing the most popular orders), customer acquisition and retention (ability to choose products, which a customer needs the most).

## Bank Millennium GOOD BRAND 2013

- Bank Millennium has been awarded the title of GOOD BRAND 2013** - Quality, Trust, Renown in the category: Savings accounts and deposits. The title is given by the *Biznes Trendy* publication and by *Forum Biznesu* to the most development-oriented and recognisable brands present on the Polish market. Analyses were focused i.a. on: market position of the brand and its strength; the quality of the product or service as well as degree of consumer confidence



## Major awards and achievements in 2013 (2)

### Bank Millennium is a 2013 Business Shark

- Bank Millennium is one of a group of companies recognised by Miesięcznik Kapitałowy. **The Bank was awarded the title of 2013 Business Shark** for “market domination worthy of a leader and setting direction in the sea of business”. The survey, prepared by the magazine, looked at companies from various sectors, selected by analysts, brokerage houses, the Stock Exchange Issuers’ Association and the Responsible Business Forum. Analysis was made of i.a. business management effectiveness, financial reports, standing of the company on the stock exchange as well as CSR activity.

### Bank Millennium 2nd in the best bank for deposits and investments

- Bank Millennium came **2nd in the ranking of Comperia.pl financial comparison website**. Titled Best Banks for Deposits and Investments after the 1st half of 2013. The ranking looked at both the interest rate on selected savings products, as well as breadth of the offering and range of investment options.

### Bank Millennium The Best Internet bank according to the Global Finance magazine



- In July 2013 **Bank Millennium yet again topped the category “Best Consumer Internet Bank in Poland”**. The awards were given by Global Finance independent financial magazine. Winning banks were selected based on the nominations of individual banks and evaluation of world class specialists - experts of Tata Infotech company and according to the following criteria: strength of strategy for attracting and servicing online customers, successes in getting clients to use web offerings, growth of on-line customers, breadth of product offerings, evidence of tangible benefits gained from internet initiative, web-site design and functionality.

### Bank Millennium Macroeconomic Research Bureau among top Polish forecasters

- The **Macroeconomic Research** Bureau of Bank Millennium **took 2nd place after 3Q 2013** in the contest of forecasters conducted by the National Bank of Poland and the *Rzeczpospolita* daily. The ranking includes forecasts for the GDP growth, investments dynamics, inflation, current account deficit and unemployment rate. What is more important, the team of Bank Millennium managed to keep 2nd place in two consecutive quarters which proves stable and good quality of forecasts, especially forecasts of inflation and unemployment.



# Main recent product campaigns for retail

## SAVING ACCOUNT



Promotional interest rate of as much as **3.1% per annum** up to **PLN 50,000** during 3 months and the interest will be capitalised monthly..

### Savings Center



## CASH LOAN



Low monthly payment thanks to the **Lowest Interest Rate Guarantee**. If a customer finds lower interest rate within 30 days, Bank Millennium will pay back the difference and will change the interest rate.

The promotion shall continue until **31 March 2014**.

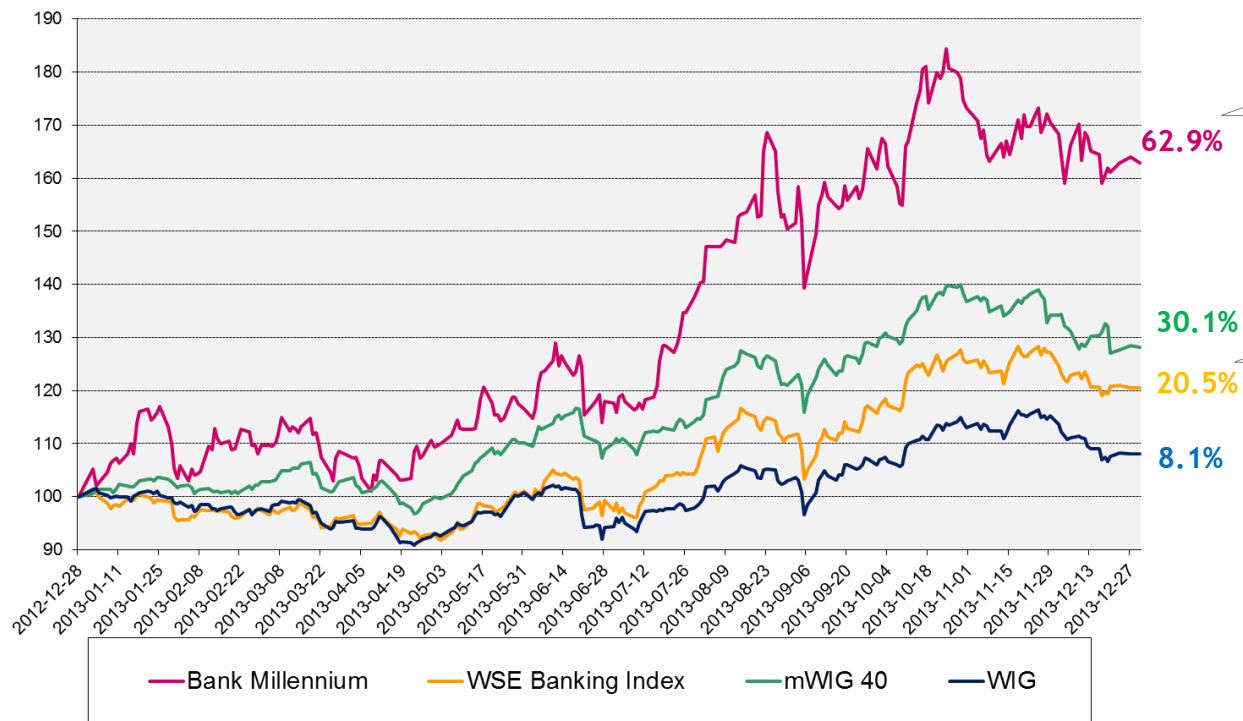
## PREPAID CARD



Prepaid card **Millennium MasterCard Prepaid** is an idea for a modern pocket money for children and young people. This practical solution, which provides parents control of expenditure of the child and young customers the convenience of cashless payments.

# Bank Millennium 2013 share price performance

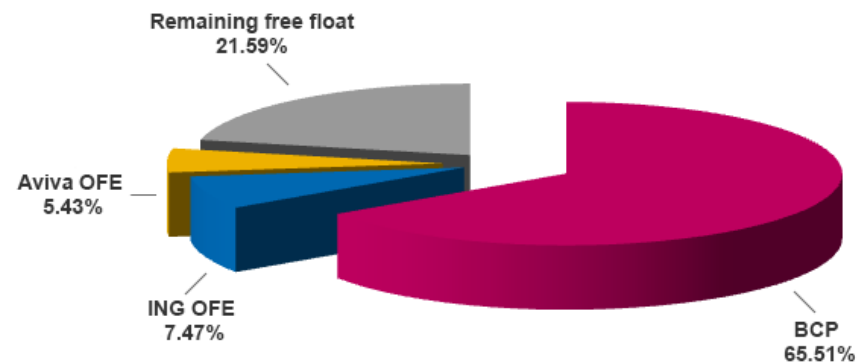
Bank Millennium share price % change from 28 Dec. 2012 until 30 Dec. 2013



Bank Millennium shares were the best performing in 2013 among the biggest WSE Banks

Bank Millennium share price annual growth was 3 times higher than WSE bank index

## SHAREHOLDERS STRUCTURE



## Bank Millennium share price and turnover in 2013

Turnover change	2013	2012	Change (%)
BM share price (in PLN, end of period)	7.20	4.42	62.9%
Total turnover (vol. of shares in million)	175.5	184.9	-5.1%
Total turnover (value in PLN million)	1,012.0	734.9	37.7%
Average daily trading (in PLN million)	4.1	3.0	37.7%

## Synthetic P&L account (pro-forma)

(PLN million)	2012	2013	4Q 2012	3Q 2013	4Q 2013
Net interest income*	1 227,3	1 270,8	307,6	323,1	345,7
Net commission income	546,0	588,7	132,7	141,9	147,4
Other non-interest income **	179,3	146,8	75,9	30,2	30,2
<b>Operating Income</b>	<b>1 952,6</b>	<b>2 006,4</b>	<b>516,2</b>	<b>495,2</b>	<b>523,3</b>
General and administrative costs	-1 065,3	-1 035,2	-271,6	-249,8	-261,3
Depreciation	-55,4	-54,3	-13,7	-12,9	-12,6
<b>Total operating costs</b>	<b>-1 120,6</b>	<b>-1 089,6</b>	<b>-285,3</b>	<b>-262,7</b>	<b>-273,8</b>
Net provisions	-238,2	-234,1	-67,3	-56,6	-63,2
<b>Operating profit</b>	<b>593,8</b>	<b>682,7</b>	<b>163,6</b>	<b>175,9</b>	<b>186,3</b>
<b>Pre-tax profit</b>	<b>596,0</b>	<b>680,6</b>	<b>162,0</b>	<b>175,9</b>	<b>185,9</b>
Income tax	-123,8	-144,8	-36,1	-37,4	-42,8
<b>Net profit</b>	<b>472,2</b>	<b>535,8</b>	<b>125,9</b>	<b>138,5</b>	<b>143,0</b>

\* 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 (PLN 50.8 million in 2013 and PLN 66.1 million in 2012) is presented in Result on Financial Operations.

\*\* includes FX results, results on financial operations (pro-forma) and net other operating income and costs

	2012	2013	4Q 2012	3Q 2013	4Q 2013
Net interest income (reported under IAS)	1 161,2	1 220,1	282,2	311,8	344,6

# Business segments results

(PLN million)	Retail segment			Companies segment			Treasury and Investment Banking segment		
	2012	2013	change	2012	2013	change	2012	2013	change
Net interest income	1021,3	1045,9	2,4%	281,0	321,3	14,3%	-141,1	-147,1	-
Net commission income	413,3	453,1	9,6%	124,9	126,6	1,3%	7,8	9,0	15,9%
Other income *	101,0	109,1	8,1%	36,5	26,6	-27,3%	107,9	61,9	-42,6%
<b>Total operating income</b>	<b>1535,6</b>	<b>1608,2</b>	<b>4,7%</b>	<b>442,5</b>	<b>474,5</b>	<b>7,2%</b>	<b>-25,5</b>	<b>-76,2</b>	<b>-</b>
<b>Total operating expense **</b>	<b>-849,6</b>	<b>-831,6</b>	<b>-2,1%</b>	<b>-208,0</b>	<b>-200,0</b>	<b>-3,8%</b>	<b>-63,1</b>	<b>-58,0</b>	<b>-8,1%</b>
<i>Cost/Income</i>	<i>55,3%</i>	<i>51,7%</i>	<i>-3,6 p.p.</i>	<i>47,0%</i>	<i>42,2%</i>	<i>-4,8 p.p.</i>	-	-	-
Net provisions	-92,9	-121,8	31,1%	-162,3	-110,7	-31,8%	16,9	-1,6	-
<b>Pre-tax income</b>	<b>593,1</b>	<b>654,7</b>	<b>10,4%</b>	<b>72,2</b>	<b>163,7</b>	<b>126,6%</b>	<b>-69,4</b>	<b>-137,9</b>	<b>-</b>

(\*) including FX income

(\*\*) without impairment charges

# Balance Sheet

<b>ASSETS</b>	(PLN million)	<b>31/12/2012</b>	<b>30/09/2013</b>	<b>31/12/2013</b>
Cash and balances with the Central Bank		2 466	3 494	3 412
Loans and advances to banks		1 392	1 934	1 520
Loans and advances to customers		40 232	41 921	41 766
Amounts due from reverse repo transactions		17	514	242
Financial assets at fair value through P&L and hedging derivatives		940	1 032	1 062
Investments		6 764	8 319	8 245
Tangible and intangible fixed assets		228	204	204
Other assets		701	683	566
<b>TOTAL ASSETS</b>		<b>52 742</b>	<b>58 102</b>	<b>57 017</b>

<b>LIABILITIES AND EQUITY</b>	(PLN million)	<b>31/12/2012</b>	<b>30/09/2013</b>	<b>31/12/2013</b>
Deposits and loans from banks		2 492	2 529	2 349
Deposits from customers		41 434	45 228	45 305
Liabilities from repo transactions		175	749	115
Financial liabilities at fair value through P&L and hedging derivatives		1 583	1 999	1 505
Liabilities from securities issued & securitisation		900	758	701
Provisions		45	55	67
Subordinated liabilities		614	637	623
Other liabilities		677	949	989
<b>TOTAL LIABILITIES</b>		<b>47 918</b>	<b>52 904</b>	<b>51 654</b>
<b>TOTAL EQUITY</b>		<b>4 824</b>	<b>5 197</b>	<b>5 363</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>52 742</b>	<b>58 102</b>	<b>57 017</b>

## Contact



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