



# Bank Millennium Group

## 3Q 2014 results



27<sup>th</sup> October 2014

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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**

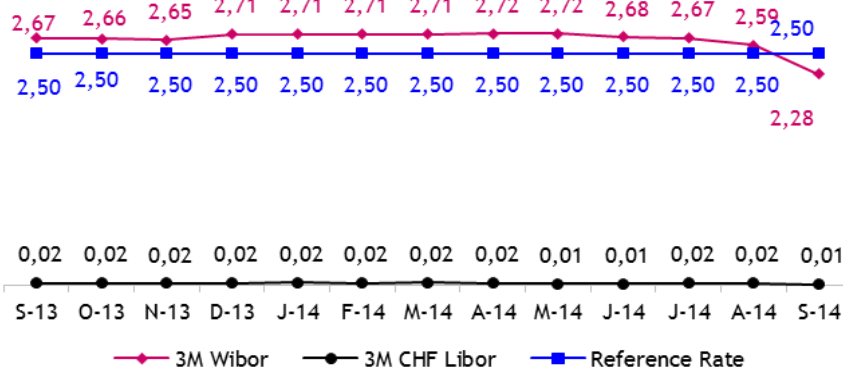
**Financial performance**

**Business development**

**Appendixes**

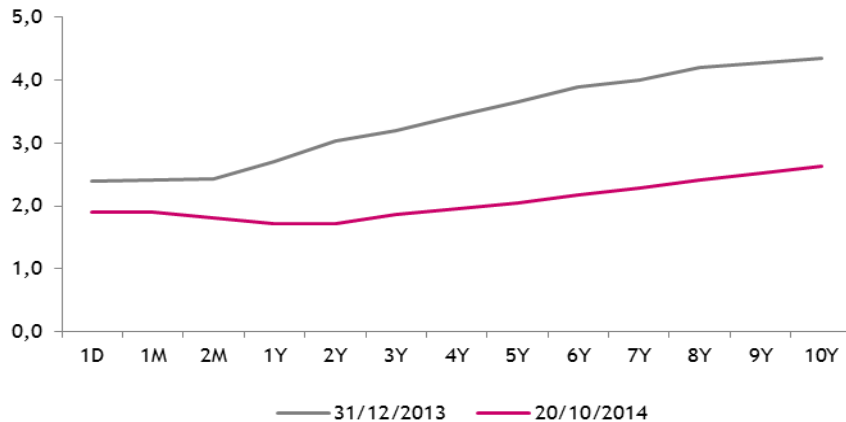
# Macroeconomic Overview

## Interest Rates Evolution (%)

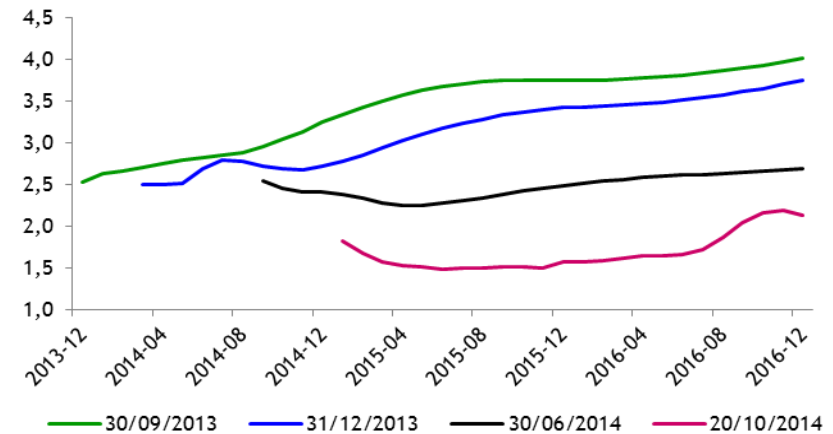


M-o-M (bp)	-31	-1	0
YTD (bp)	-43	-1	0
Y-o-Y (bp)	-39	-2	0

## Evolution of yield curve (%)



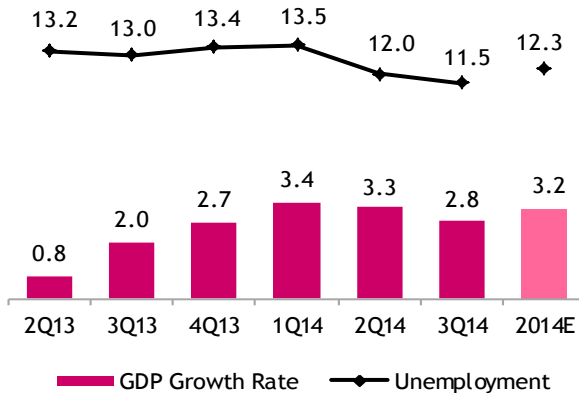
## Evolution of implicit WIBOR 3 month rate (%)



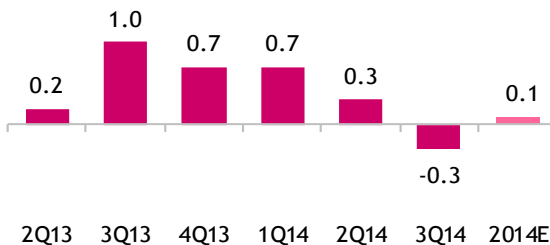
- Higher than expected interest rate cut in October (by 50 bps) triggered further rate cut expectations.
- Asymmetrical cut of reference rate versus lombard (by 100 bps), for the first time in 11 years, will affect margin on consumer loans.
- Poland to live in a low interest rate environment for a longer period of time, supported by eurozone ultra-loose monetary policy and lower growth.

# Macroeconomic Overview

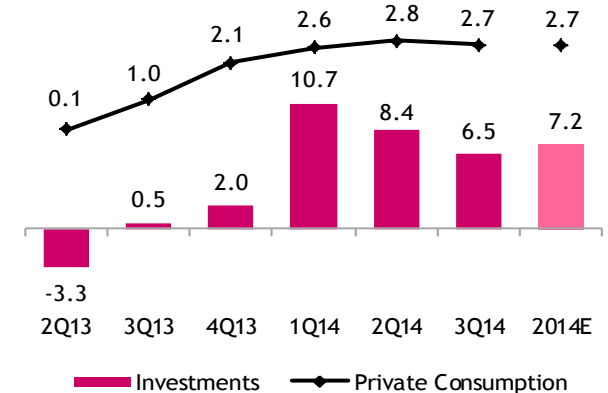
### GDP Growth & Unemployment Rate (%)



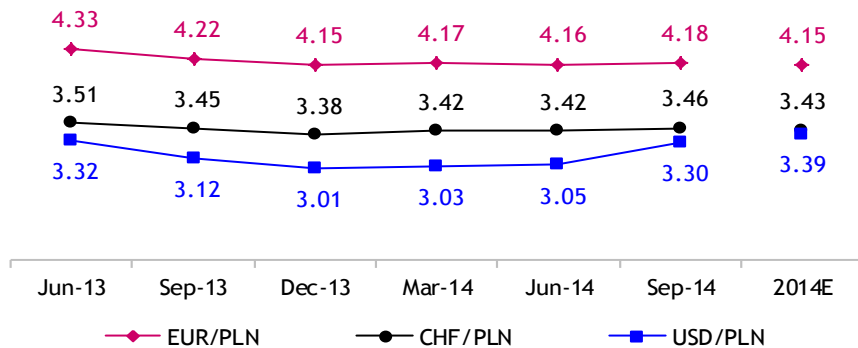
### Inflation (CPI %)



### Investments & Private Consumption (% y/y)



### FX Rates Evolution

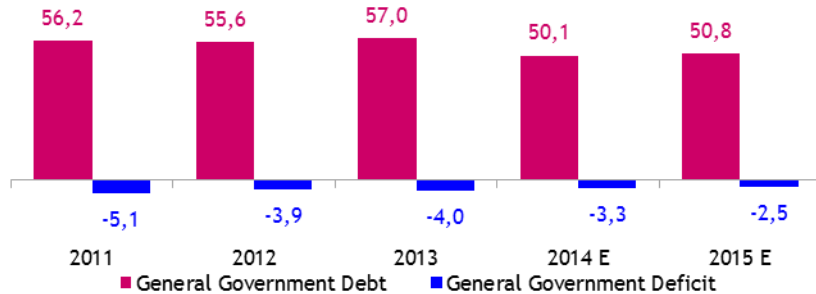


Q-o-Q	0,4%	1,0%	8,2%
YTD	0,6%	2,4%	9,5%
Y-o-Y	-1,0%	0,3%	5,6%

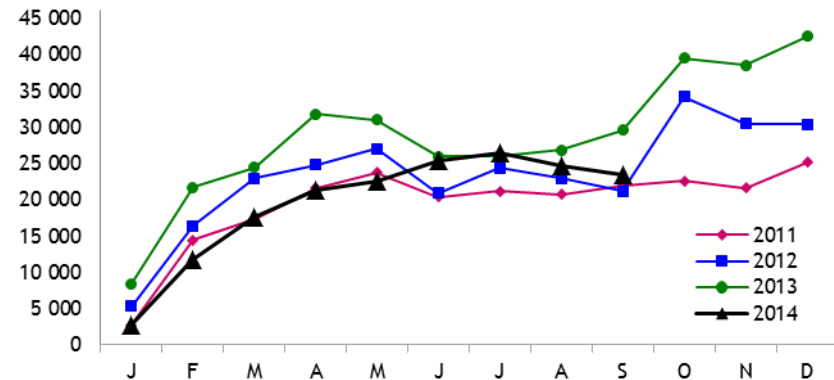
- Signs of decelerating economic growth driven by slower growth in the Eurozone and negative effects of sanctions imposed on exports of Polish food to Russia.
- Ongoing improvement in the labour market and low inflation should support private consumption. Investments growth is expected to slow down, but not massively as capacity utilization remain high.
- Polish zloty resilient to external shocks, deteriorating economic outlook and rate cuts.

# Macroeconomic Overview

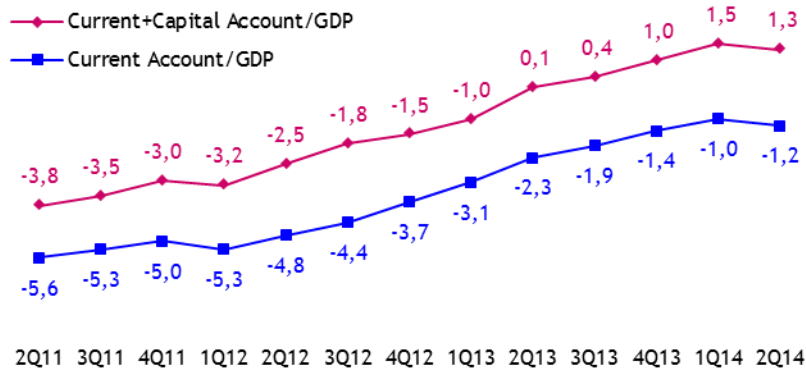
General Government Debt & Deficit to % GDP



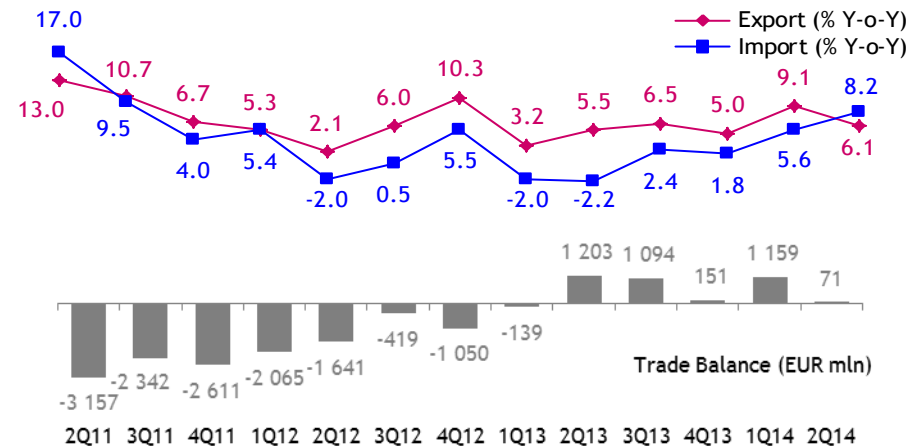
Budget Performance - Deficit in PLN mln



Current Account/GDP

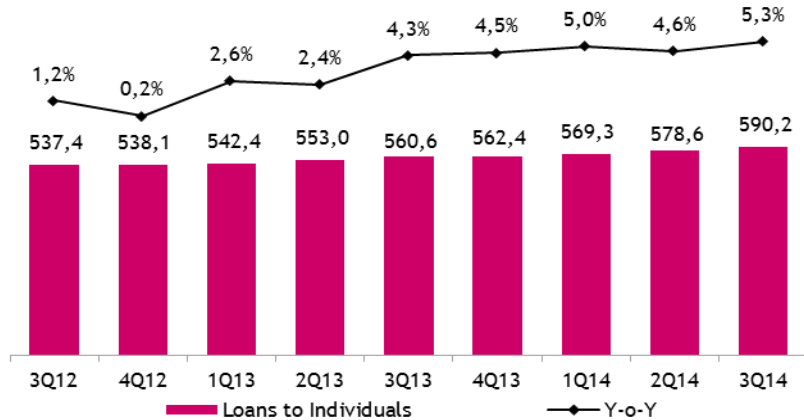


Import, Export & Trade Balance Evolution (%)

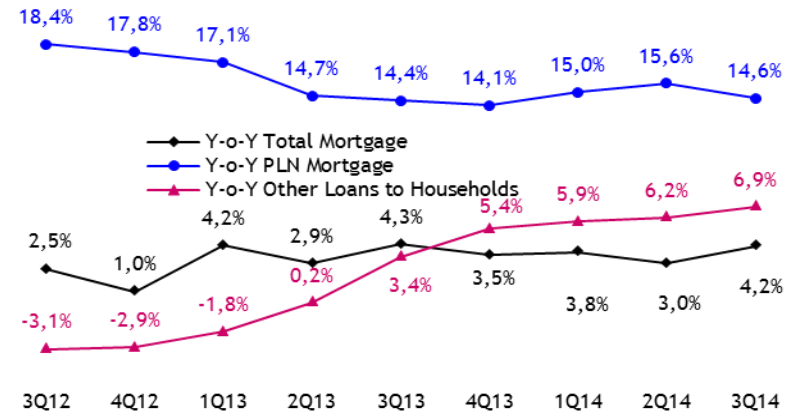


# Macroeconomic Overview

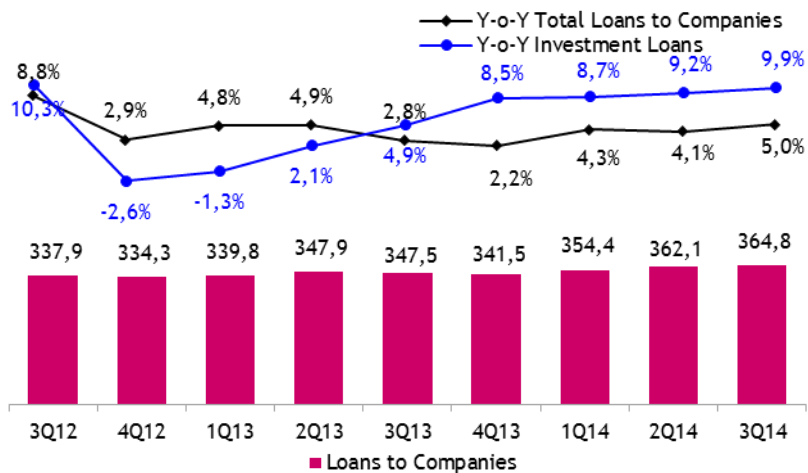
## Loans to Households



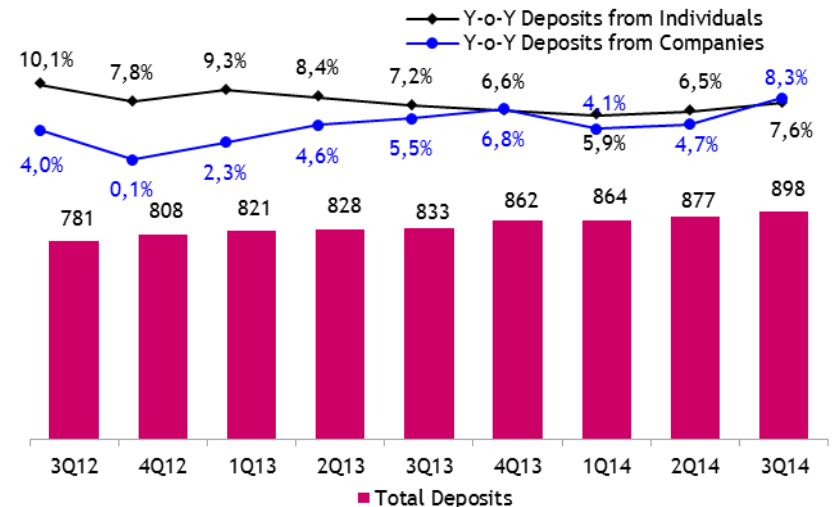
## Loans to Households



## Loans to Companies



## Deposits in the Polish Banking Sector



# Agenda

Macroeconomic overview

**Financial performance**

Business development

Appendixes



# Main financial highlights of 3Q 2014

Continued growth of profitability

Growing core income ahead of future challenges

One of the best in Poland asset quality ratios

Strong liquidity and capital kept

- 1-3Q net profit at PLN 493 million: +26% y/y
- 3Q net profit at PLN 173 million: +6% q/q
- ROE improved yearly from 10.5% to 12.1%
- Cost-to-income in 3Q stood at 49.3%
  
- Net interest income up 20% yearly and stable quarterly
- Net commissions up 6.4% yearly and dropped quarterly due to interchange fees reduction
  
- Impaired loans ratio at very low level of 4.3%
- High coverage ratio of impaired loans by provisions at 70%
  
- Loan-to-deposits\* ratio improved to 91.4%
- Loans to stable sources of funding\*\* at 87.9%
- Total CAR \*\*\* at 14.1% and CET1 \*\*\* at 13.4% and passed successfully AQR/Stress Tests

\* Deposits include Bank's debt securities sold to individuals and repo transactions with customers.

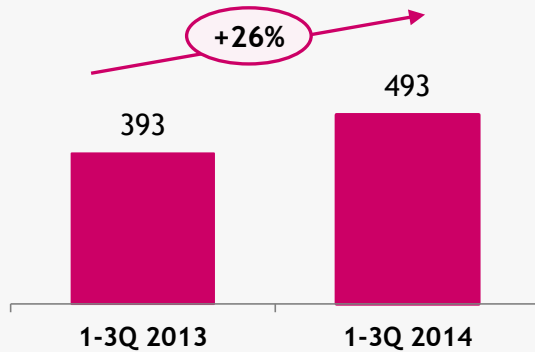
\*\* Stable sources of funding : deposits plus all debt securities sold to individual and institutional investors (including subordinated debt) and medium-term funding from financial institutions.

\*\*\* Calculated in accordance with CRR/CRD4 rules and with partial IRB approach under regulatory constraint.

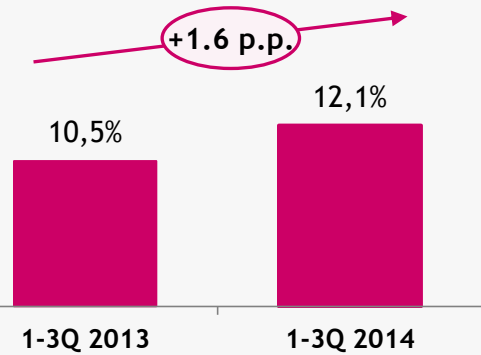
# Highlights of 1-3Q 2014 results

## Net Profit

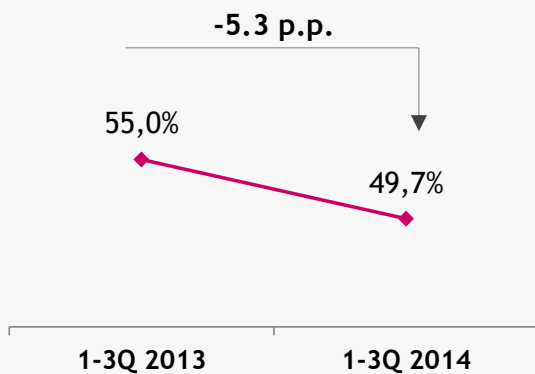
(PLN million)



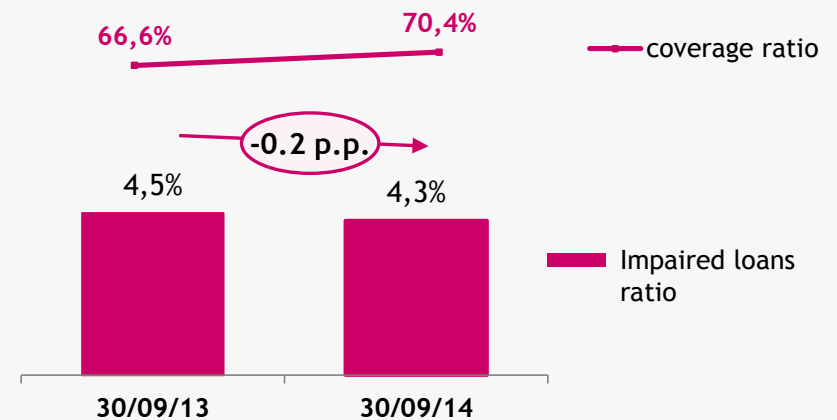
## ROE



## Cost/Income ratio



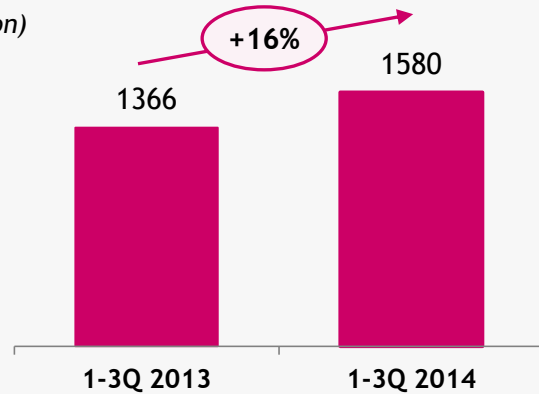
## NPL ratio & Coverage ratio



# Highlights of 1-3Q 2014 results

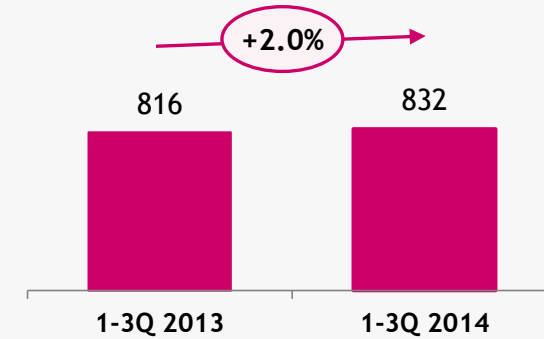
## Core Income\*

(PLN million)



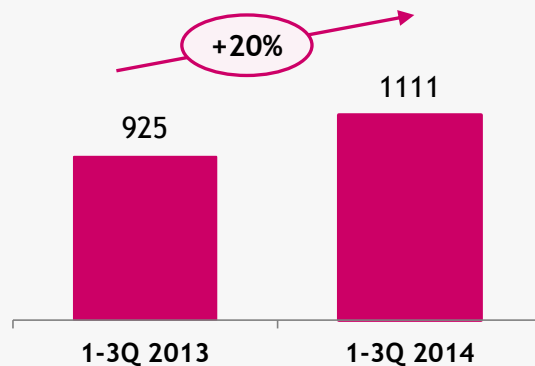
## Operating Costs

(PLN million)



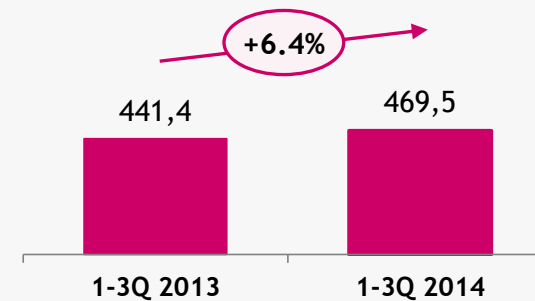
## Net Interest Income

(PLN million)



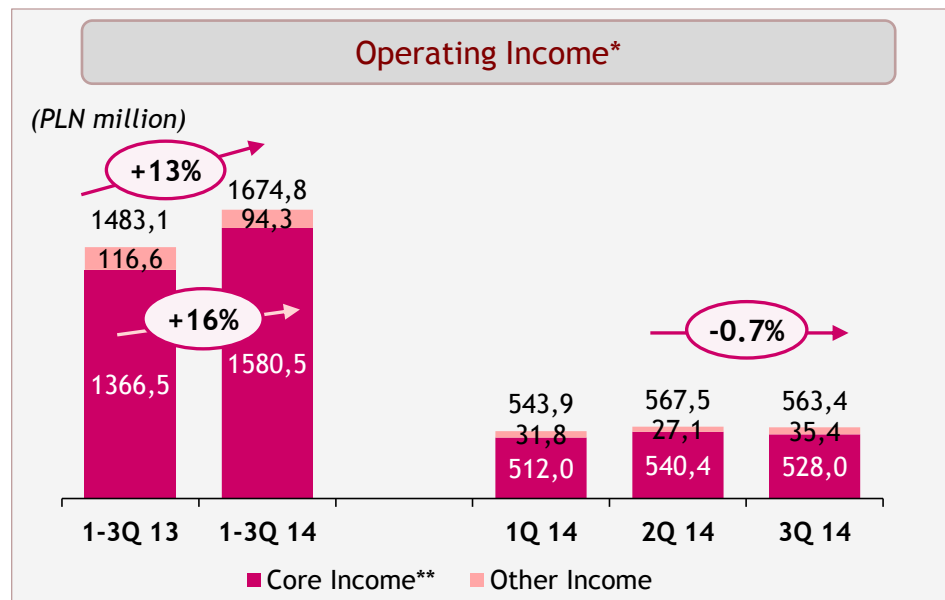
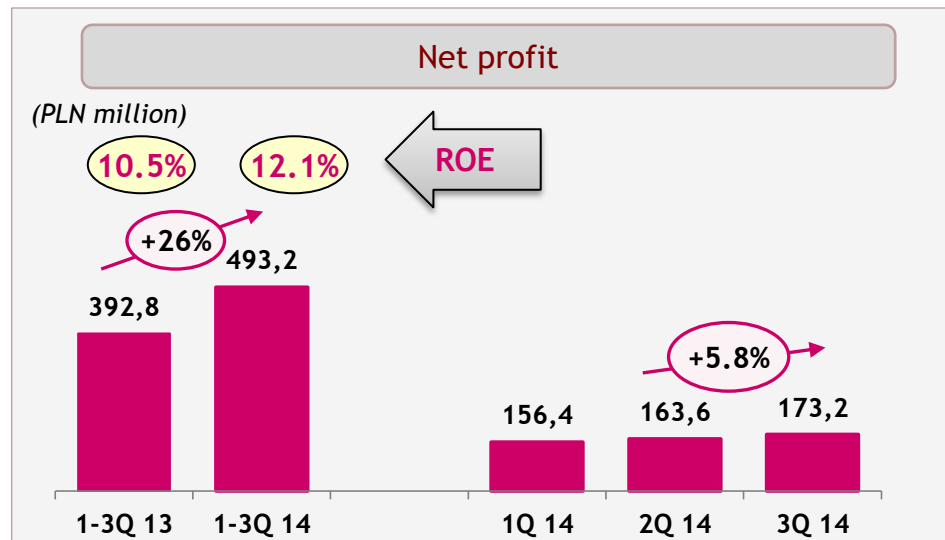
## Net Commission Income

(PLN million)



\* Net Interest Income + Net Commission Income

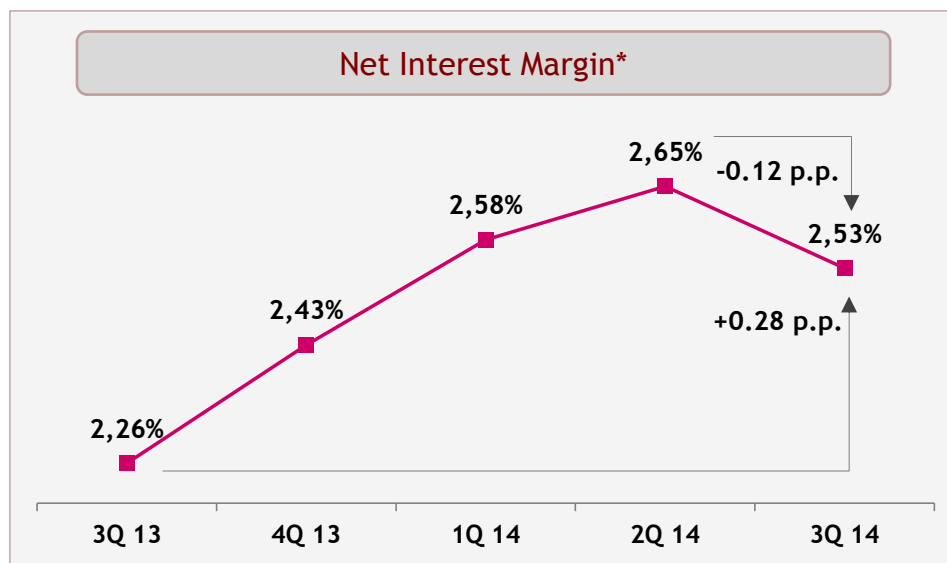
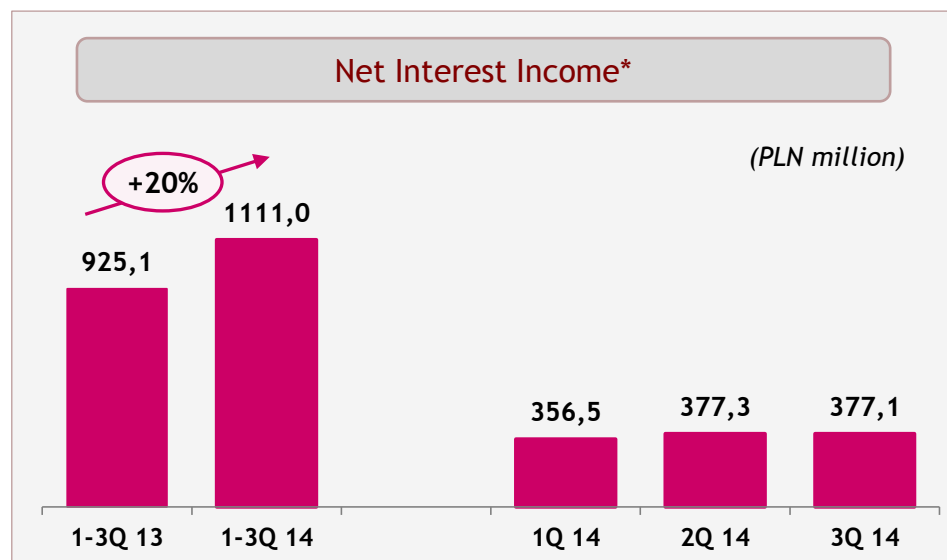
# Profitability



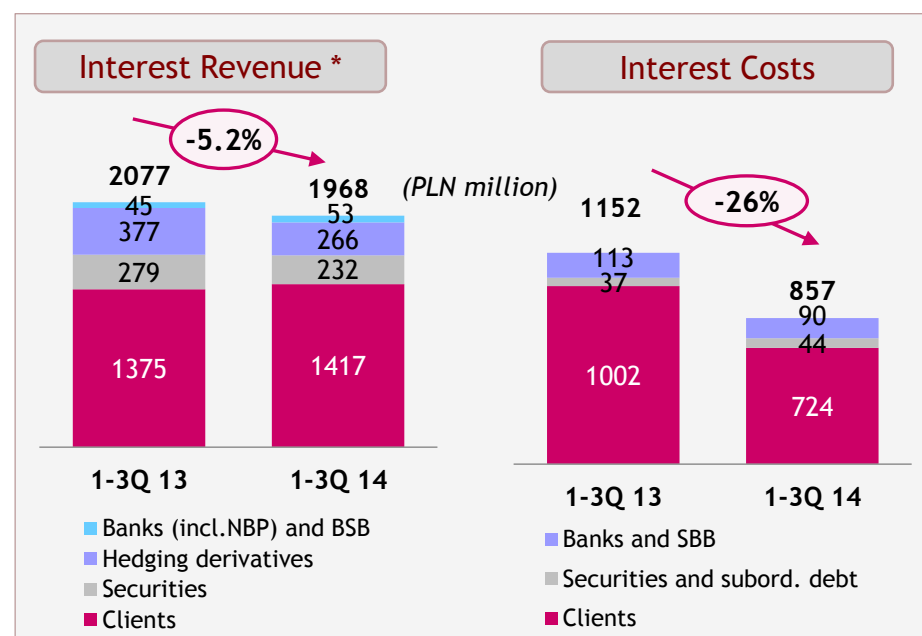
- Net Profit grew by 5.8% q/q and 26% y/y (ytd).
- Main drivers of net profit growth: high dynamics of core income\*\* (+16% y/y) and stable cost base (+2% y/y).
- Improvement of ROE to 12.1% in 1-3Q'14 from 10.5% an year ago.

\* Including net other operating income and cost  
 \*\* Net Interest Income + Net Commissions Income

# Net Interest Income



- Net Interest Income\* grew strongly in 1-3Q'14 by 20% y/y. The main driver of growth was falling interest cost (by 26% y/y) whereas decrease of interest income was moderate (only 5% y/y).
- After one year of continuous growth, quarterly NII stabilized on the similar level as in 2Q'14.
- Net Interest Margin in 3Q'14 reached 2.53%, up 0.3 p.p. yearly. NIM in 1-3Q'14 reached 2.6%.

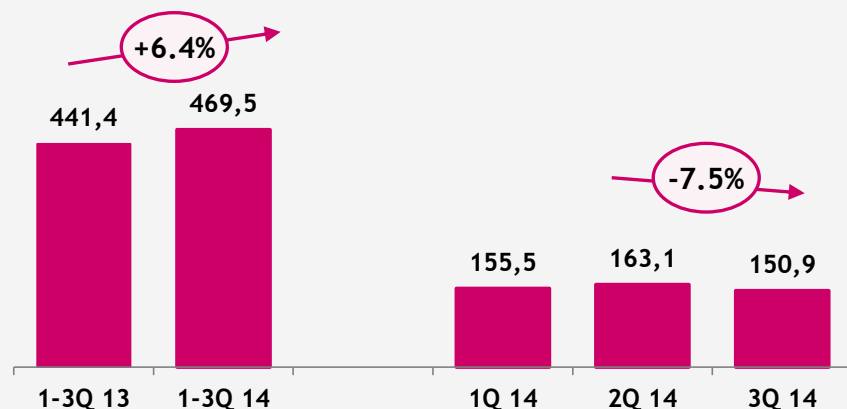


\* Pro-forma data. Margin from all derivatives hedging FX denominated loan portfolio is presented in interest revenue (hedging derivatives) and NII, whereas in accounting terms part of this margin (PLN 5.5 million in 1-3Q'14 and PLN 49.6 million in 1-3Q '13) is presented in Result on Financial Operations.

# Non-interest Income

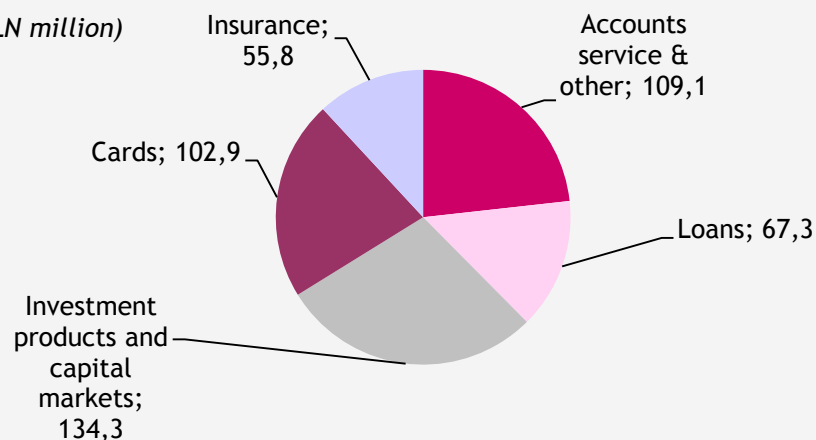
## Net Commission Income

(PLN million)



## Net Commission split for 1-3Q'14

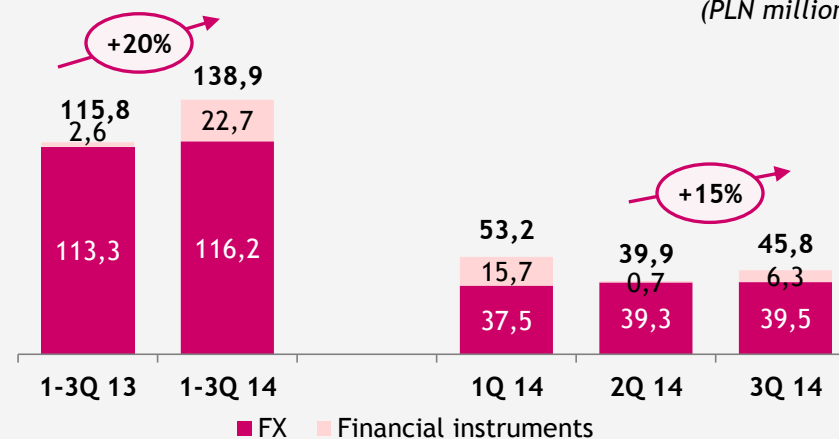
(PLN million)



- Net Commissions for 1-3Q'14 grew by 6.4% although quarterly change was negative (-7.5%) due to lower interchange fees implemented in Poland since 1 July. Main yearly growth drivers: loans and investment products (own and third parties).
- Further cut of interchange fees expected in 2015
- Trading income\* in 1-3Q'14 grew by 20% y/y driven mainly by higher income from trading financial instruments.

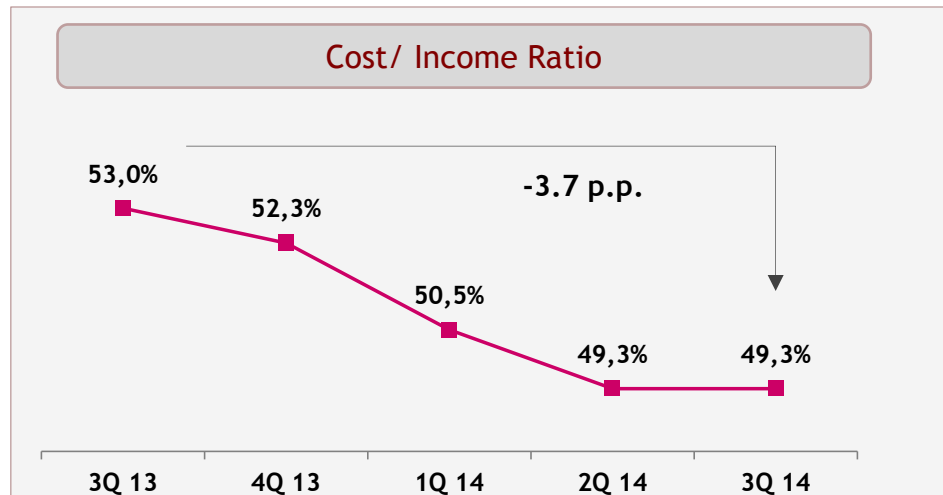
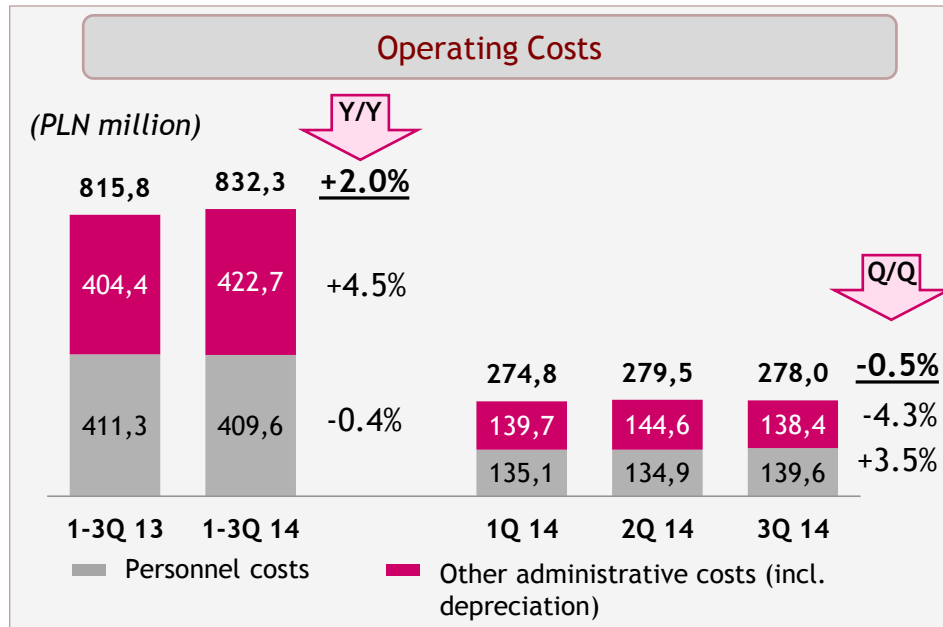
## Trading Income\*

(PLN million)



\* On pro-forma basis: FX income and result on investment and trading financial instruments

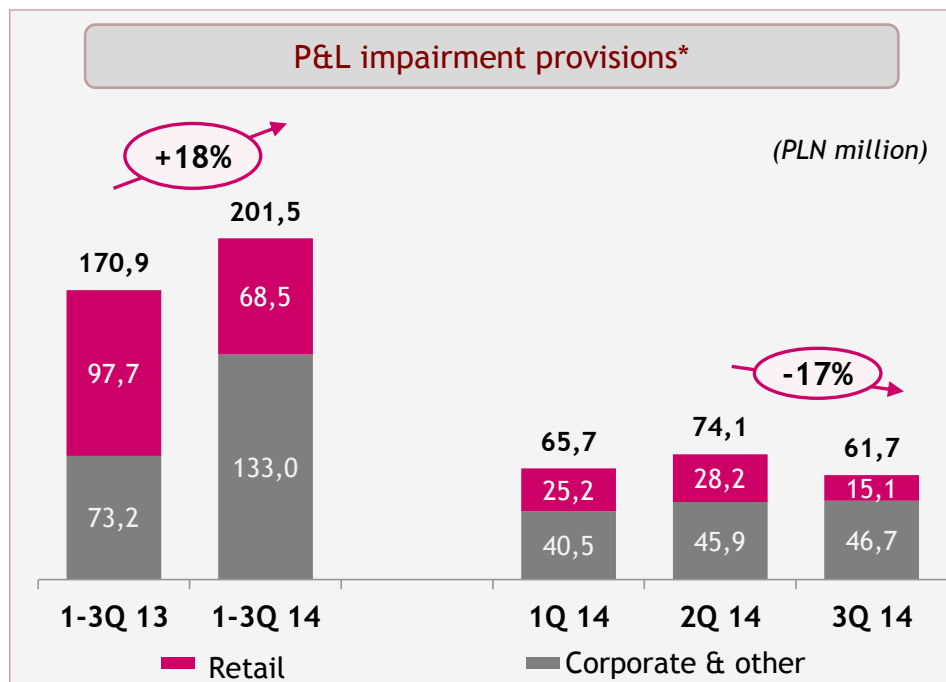
# Operating Costs and Efficiency Ratio



- Cost-to-Income ratio improved again to a record low of 49.7% in 1-3Q'14. Its quarterly level of 49.3% in 3Q'14 was maintained after the significant improvement in 2Q'14.
- Total costs decreased quarterly by 0.5% in 3Q'14. Total costs in 1-3Q'14 were only slightly higher compared to corresponding period of 2013 (+2% y/y), but only in administrative costs items.
- The quarterly increase in personnel costs resulted from employing part of formerly outsourced staff. As a result, number of employees grew in 3Q'14 by 251 FTE\* to 6134 FTE\*.

\* Full time equivalents in the Group

# Cost of Risk



- Provisions created for credit risk in 1-3Q'14 amounted to PLN 201.5 million and increased by 18% y/y.
- The growth entirely referred to corporate sector, whereas retail provisions decreased by PLN 29 million.
- The cost of risk (total provisions made in the period over average net loans) reached 63 bps in 1-3Q'14.

**Cost of Risk over average net loans\***

(in bps)

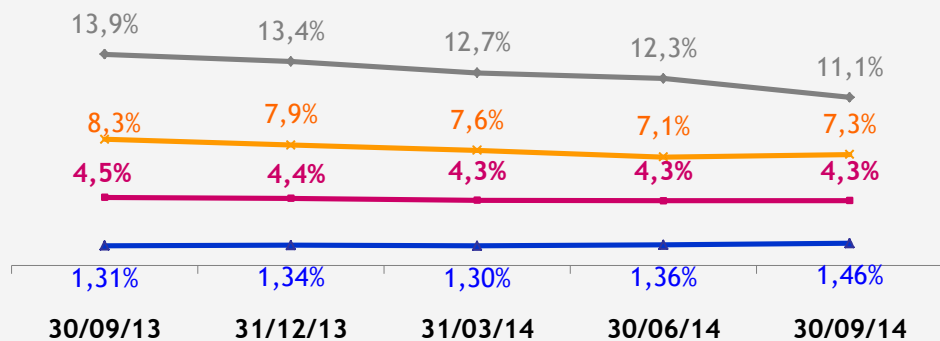
	1-3Q 2013	1-3Q 2014
RETAIL	42	31
CORPORATE	97	149
<b>TOTAL</b>	<b>55</b>	<b>63</b>

\* according to internal segment division of the Bank

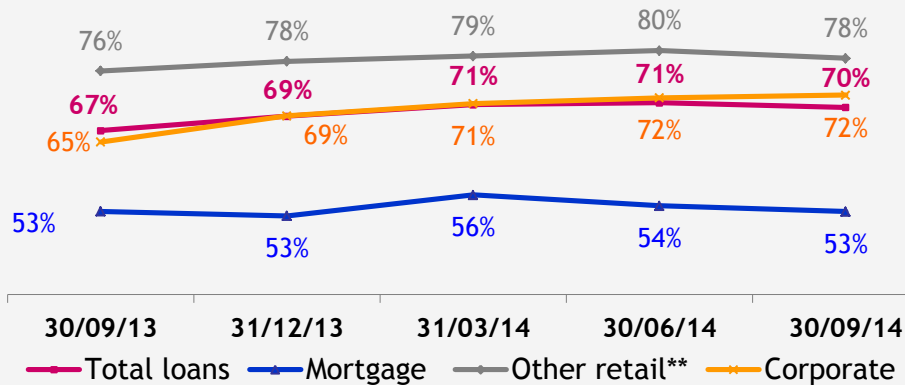


# Asset quality

## Impaired loans ratio by products



## Coverage ratio \* of impaired loans by segments

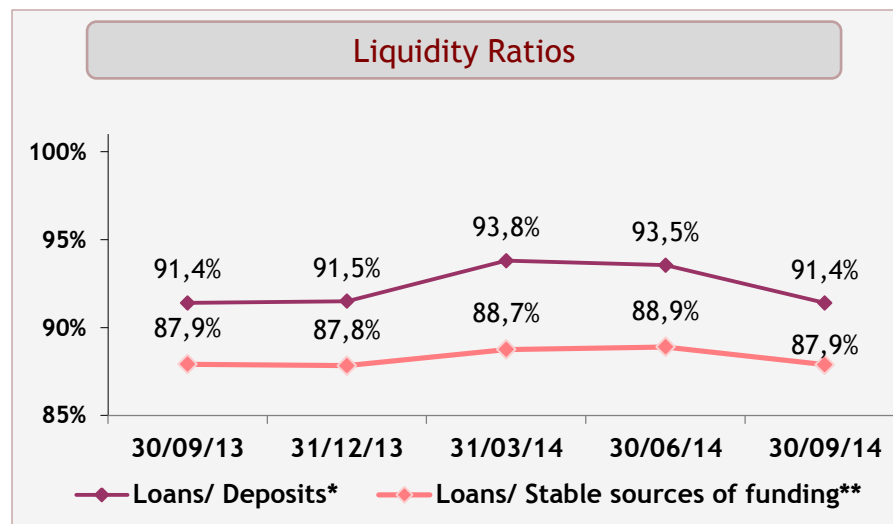


- Impaired loans ratio improved from 4.5% to 4.3% during one year.
- At the end of 2Q'14 the Bank presented the lowest impaired loans ratio among biggest banks in Poland.
- Coverage ratio improved during the year by 3 p.p. from 67% to 70%.
- Share of loans past-due more than 90 days is at 3.0% and their coverage is 101%.

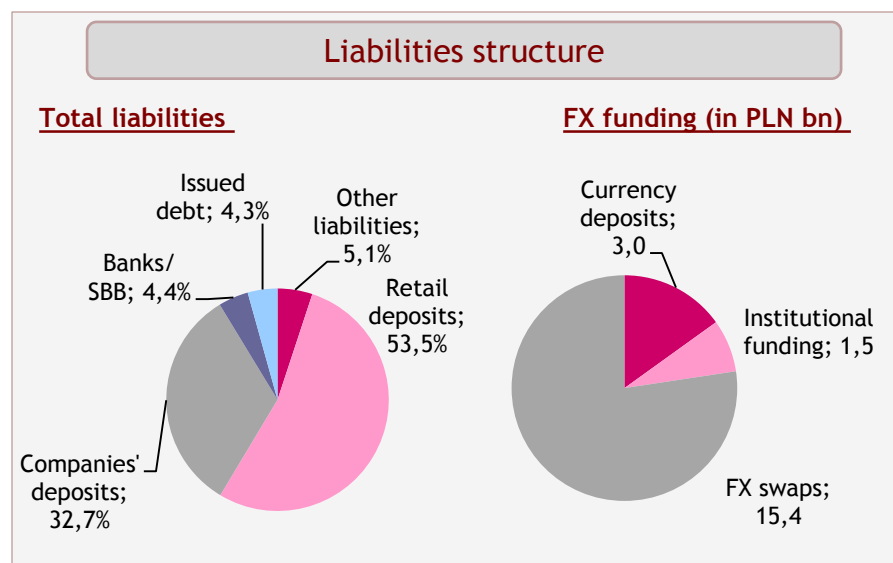
\* Coverage of gross impaired loans by total provisions (including IBNR)

\*\*According to internal segment division of the Bank

# Liquidity



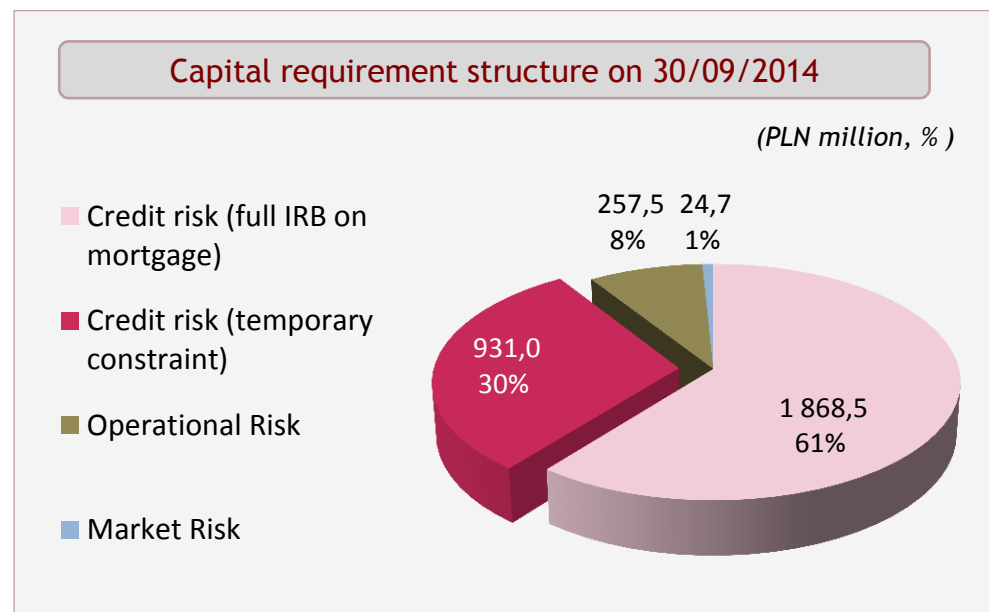
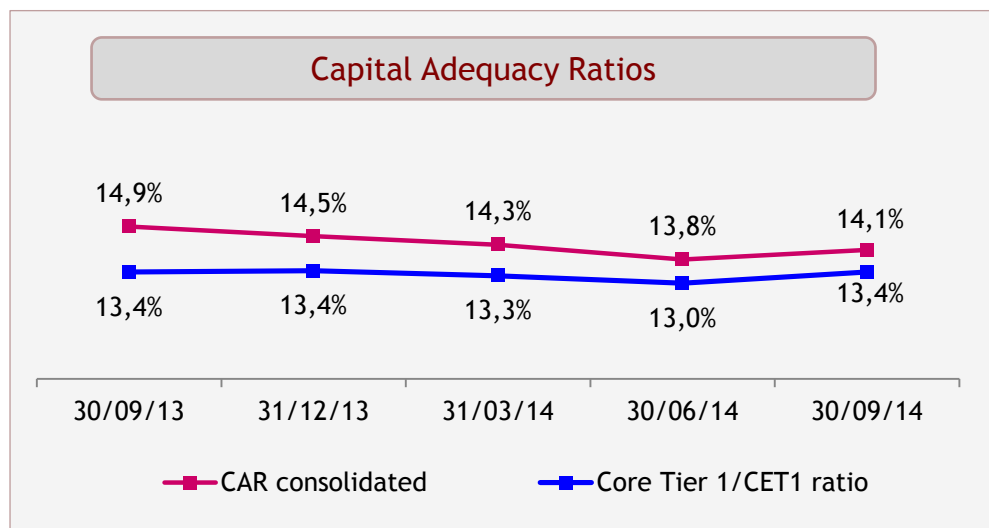
- Loan-to-deposit ratio\* improved visibly in Sep.'14 to 91.4%, i.e. by 2.1 p.p. compared to June'14.
- Loans-to-stable sources of funding ratio\*\* is even better: 87.9% at the end of September 2014.
- Structure of funding shows dominant importance of retail customers' deposits (54%). Debt issued makes 4.3% of total liabilities.
- FX funding is based on different sources, with sizeable portfolio of well diversified (by counterparties and maturities) currency swaps.



\* Deposits include Bank's debt securities sold to individuals, repo transactions with customers and till 30.09.2013 also leasing securitization bonds.

\*\* Deposits plus mid-term debt securities sold to individual and institutional investors (including subordinated debt) and medium-term funding from financial institutions.

# Capital adequacy ratios

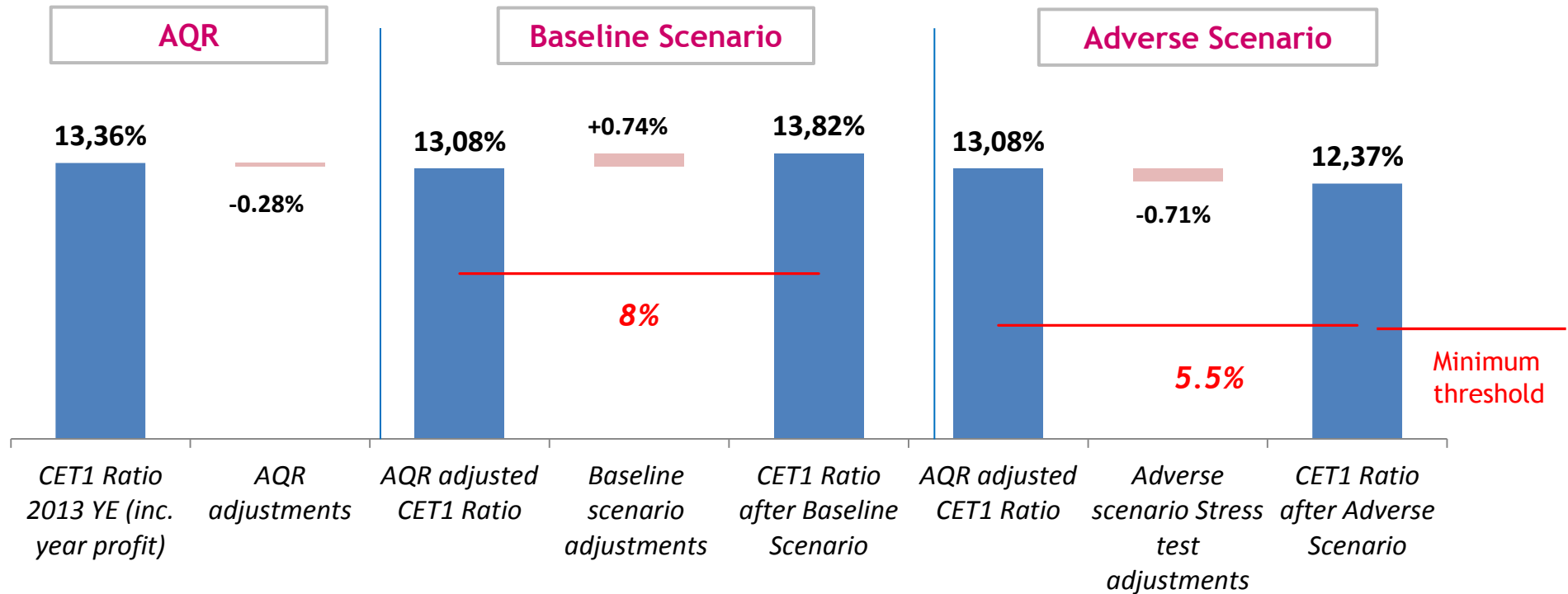


- Capital adequacy ratios are calculated since June 2014 under new CRR/CRD4\* regulations but still with IRB regulatory constraint.

- CAR grew by 0.3 p.p. and Common Equity Tier 1 (CET1) ratio grew by 0.4 p.p. quarterly, mainly due to recognition of part of 1H'14 results in the equity.

\* CRR - EU Capital Requirement Regulation of 575/2013 from 26.04.2013, CRD4 - EU Capital Requirement Directive (both called *Basel 3*)

# AQR/Stress test\* impact on capital adequacy



- Group's CET1 showed very minor adjustment (0,28%) after AQR conducted on 2013 data.
- Bank passed stress test with big cushion to minimum CET1 levels: 13.8% versus 8% under baseline scenario and 12.4% versus 5.5% under adverse scenario.

\* Asset Quality Review and Stress tests results announced by Polish Financial Supervision (KNF) on 26.10.2014.

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**Financial performance**

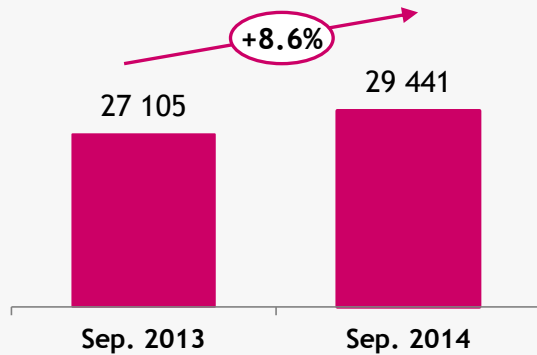
**Business development**

**Appendixes**

# Highlights of 1-3Q 2014 business results

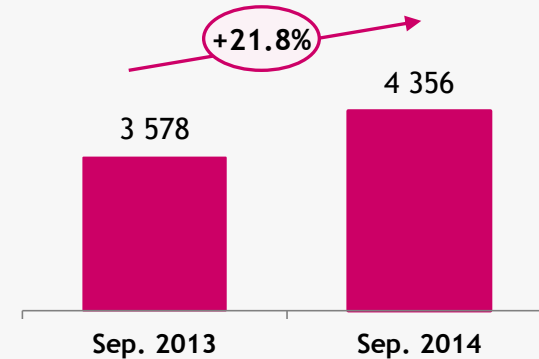
## Deposits of Individuals

(PLN million)



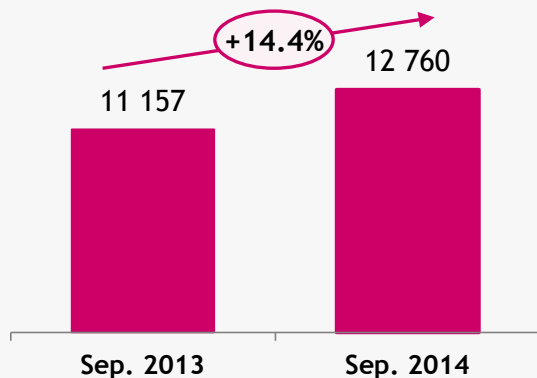
## Consumer Loans

(PLN million)



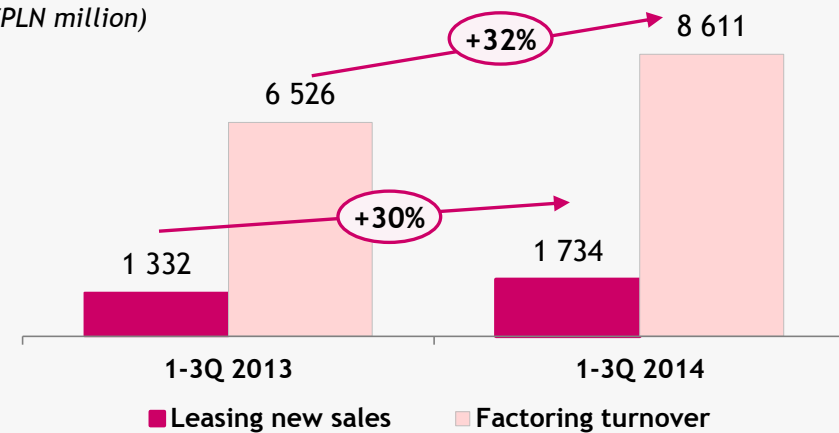
## Loans to Companies (net)

(PLN million)



## Leasing & Factoring

(PLN million)



## Main business highlights in 1-3Q 2014

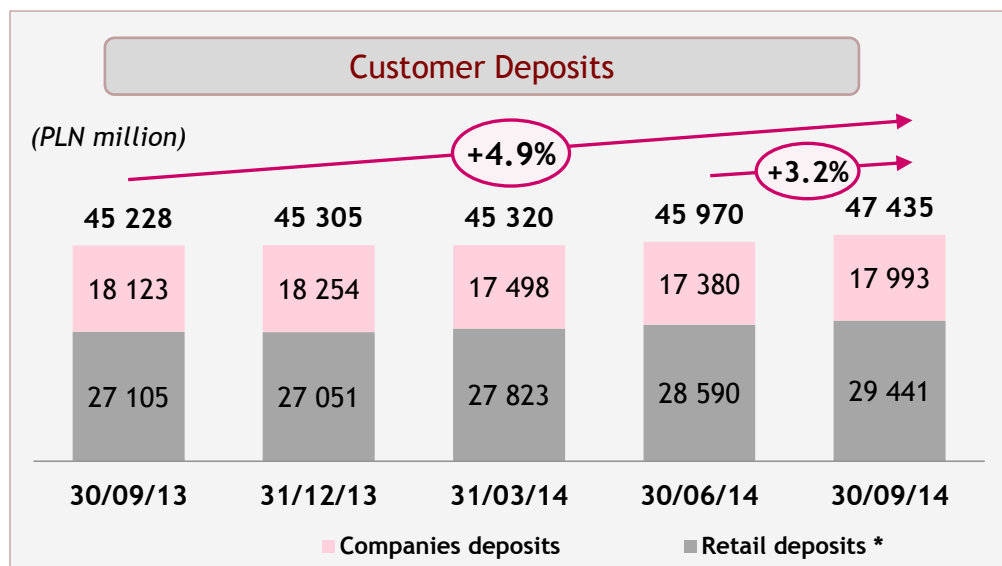
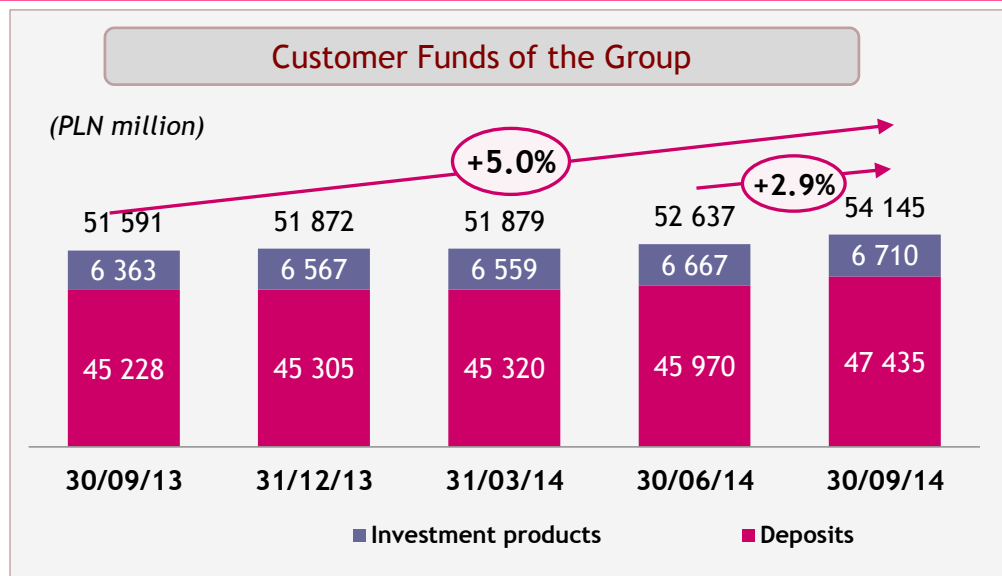
### Retail business

- Cash loans record quarterly sale of PLN 578 million, portfolio up 23% y/y
- Over 100,000 new current accounts 360° since launching in May
- Continuation of strong retail deposits growth: +3% q/q and +8.6% y/y

### Companies business

- Loans to companies keep strong 14% yearly growth, more than doubled market growth (loans increased by PLN 1.6 billion since December '13)
- Record factoring turnover crossing PLN 3 billion in 3Q'14, year-to-date turnover grew by 32% y/y
- Increased investment financing reflected in growing leasing sales: +30% y/y on year-to-date basis; leasing portfolio crossed PLN 4 billion

# Customer funds

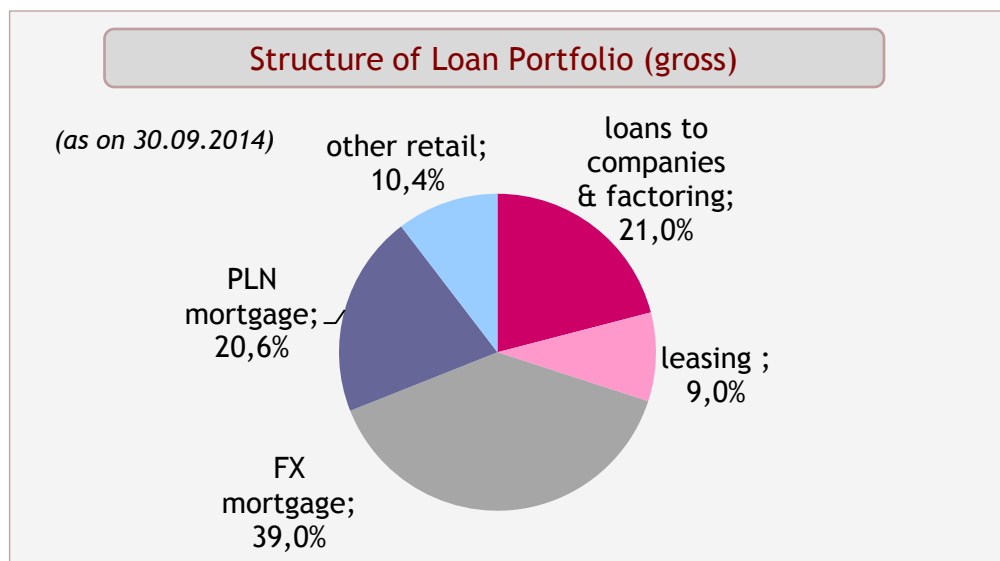
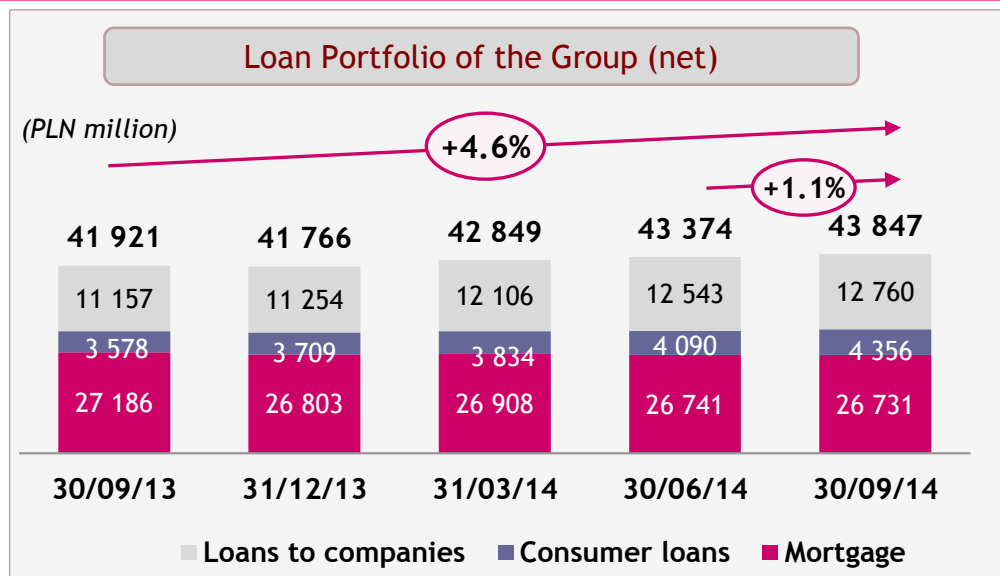


- Customer funds of the Group grew by 5% yearly and by 2.9% quarterly.
- Total deposits grew by 4.9% y/y, along with an yearly improvement of deposit interest margin.
- Retail deposits grew by 8.6% yearly (i.e. by PLN 2.3 bn).
- Deposits from companies decreased slightly by 0.7% yearly.

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

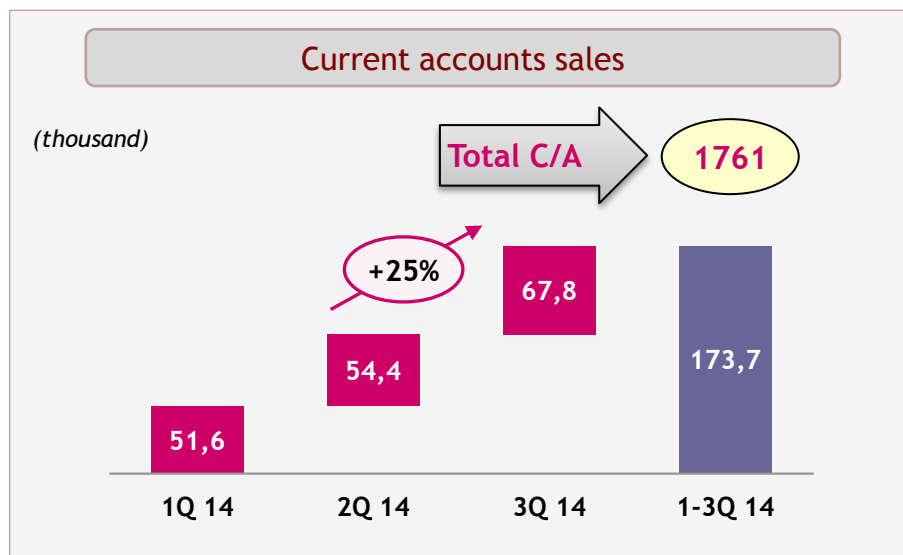
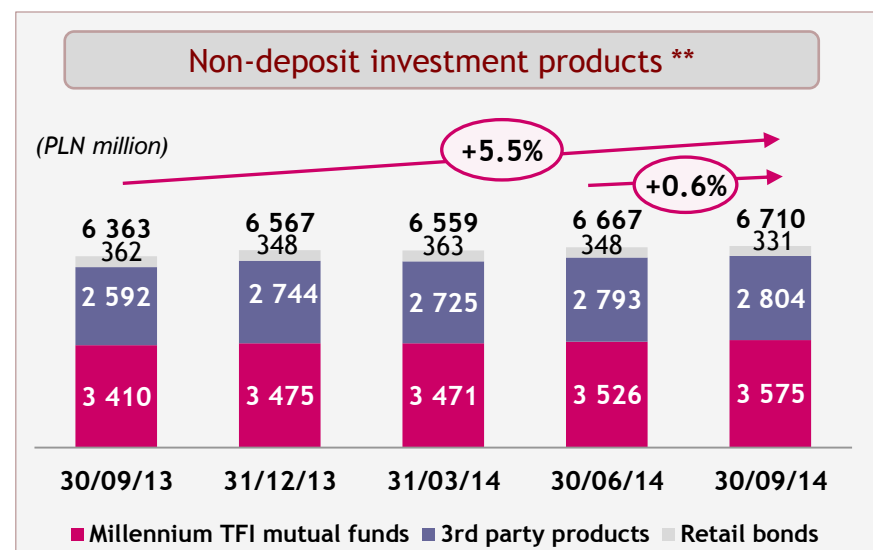
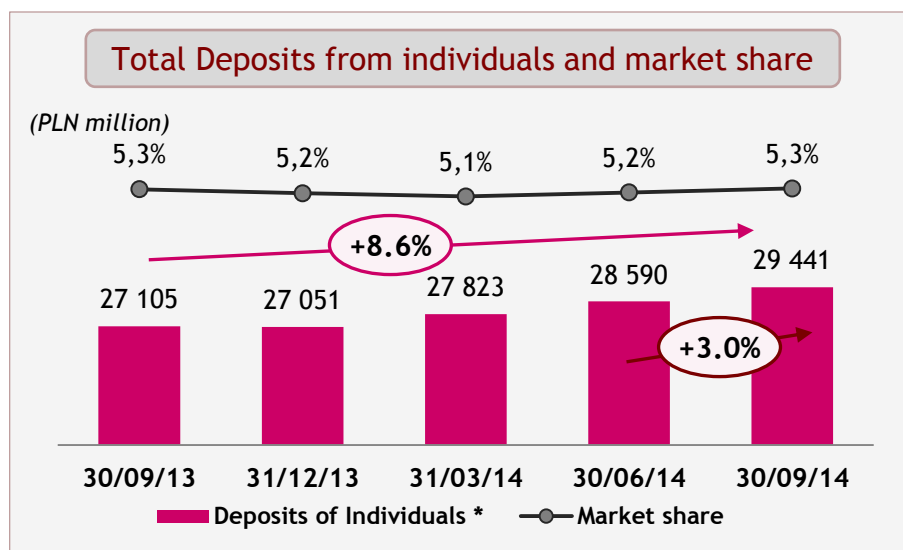


# Loan portfolio



- Total loans reached PLN 43.8 billion and increased by 4.6% yearly and 1.1% quarterly.
- Non-mortgage consumer loans grew yearly by around 22% whereas mortgage loans portfolio decreased slightly by less than 2%.
- Net loans to companies (including leasing) amounted to PLN 12.8 billion, which means a very solid yearly growth of over 14%.
- Share of companies and consumer loans in total loans continued to increase and reached already 40.4%.

# Retail business results - deposits

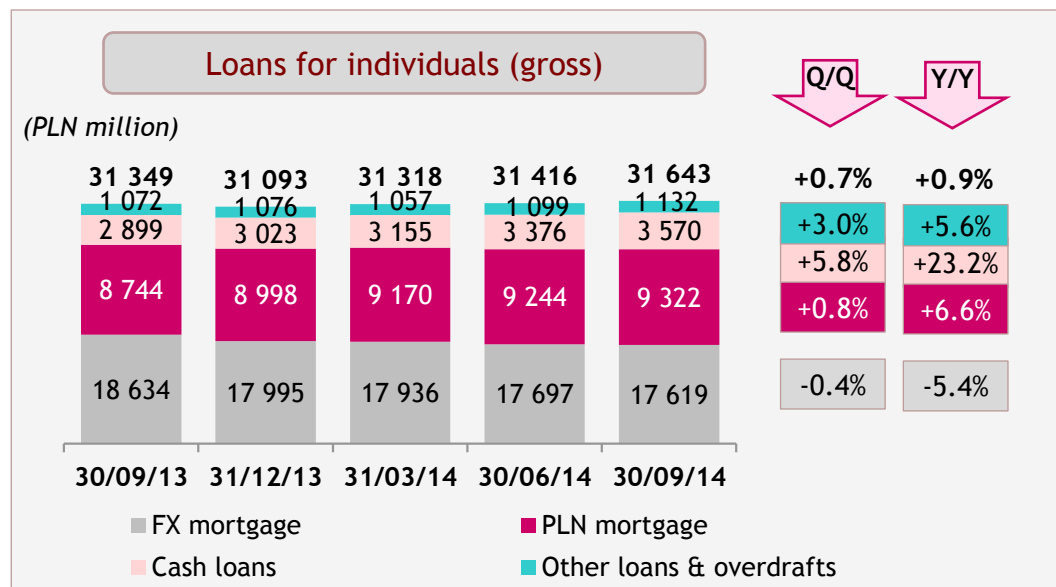


- Retail deposits showed solid growth of 8.6% y/y and 3.0% q/q.
- Non-deposits investment products sold to Group's retail customers grew by 5.5% yearly reaching in Sep. 2014 the level of PLN 6.7 billion.
- Acceleration of current accounts acquisition after launch of 360° current account: 100,000 accounts sold since May. Total number of C/A of individuals grew to 1761 thousand.

\* 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

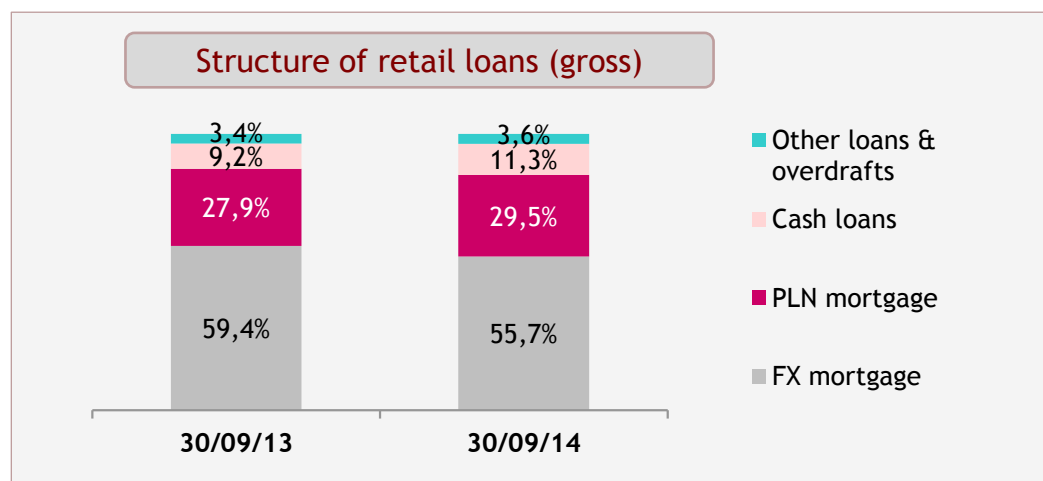
# Retail business results - loan portfolio



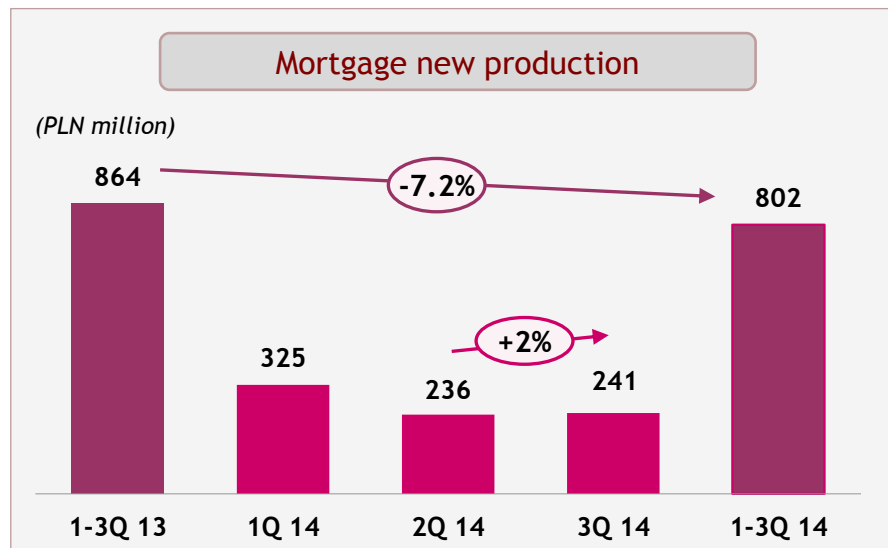
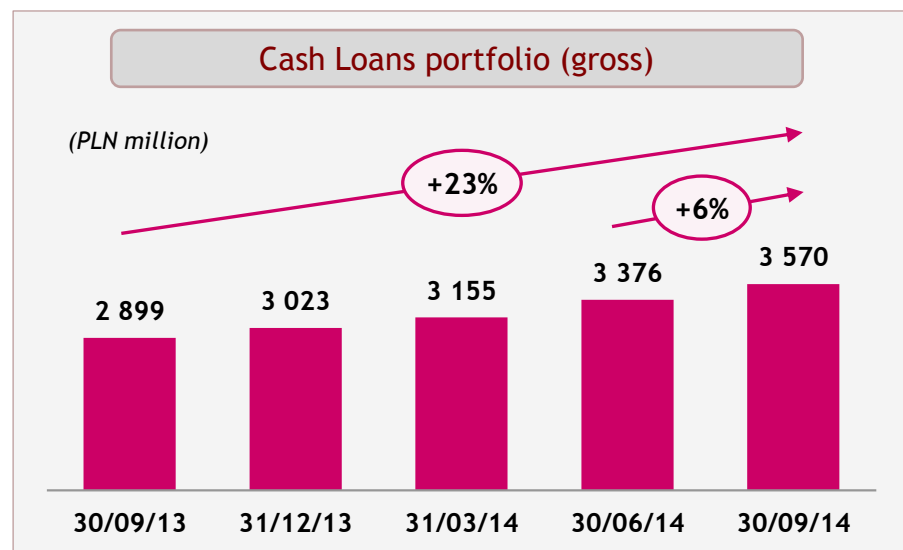
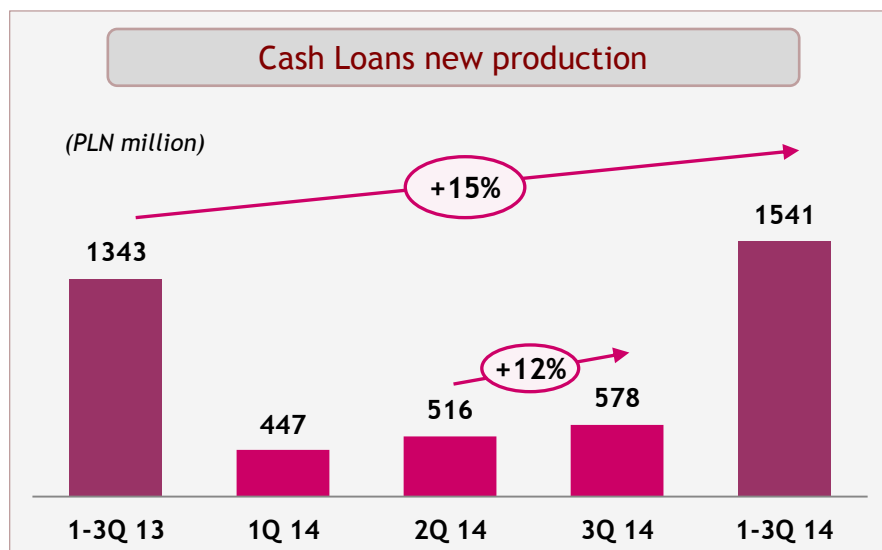
- Loans to individuals (gross) grew slightly (+0.9% y/y and 0.7% q/q) as a combination of fast growing consumer loans and falling FX mortgage loans.

- Cash loans grew by 23.2% yearly and other consumer loans by 5.6% y/y.

- Mortgage loans in PLN grew by 6.6% yearly, while FX part fell by 5.4% y/y.

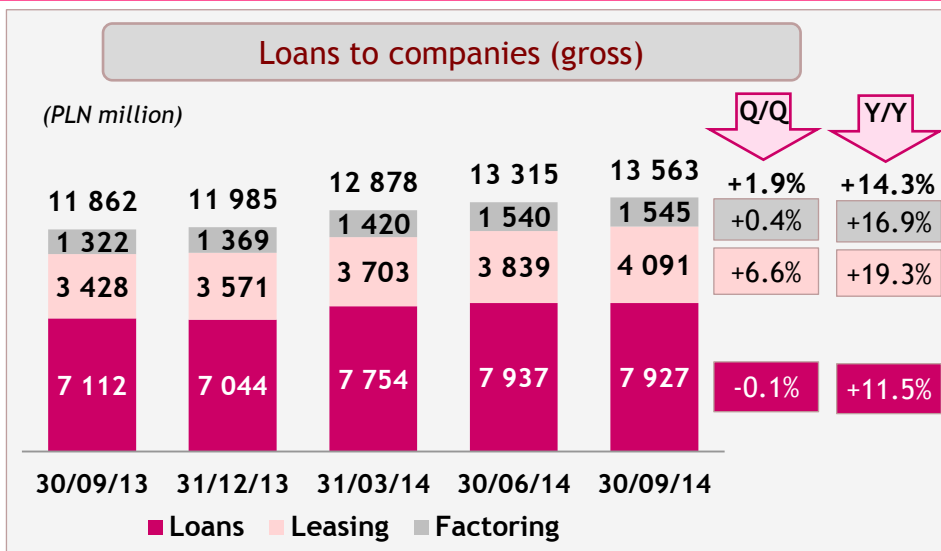


# Retail business results - cash and mortgage loans

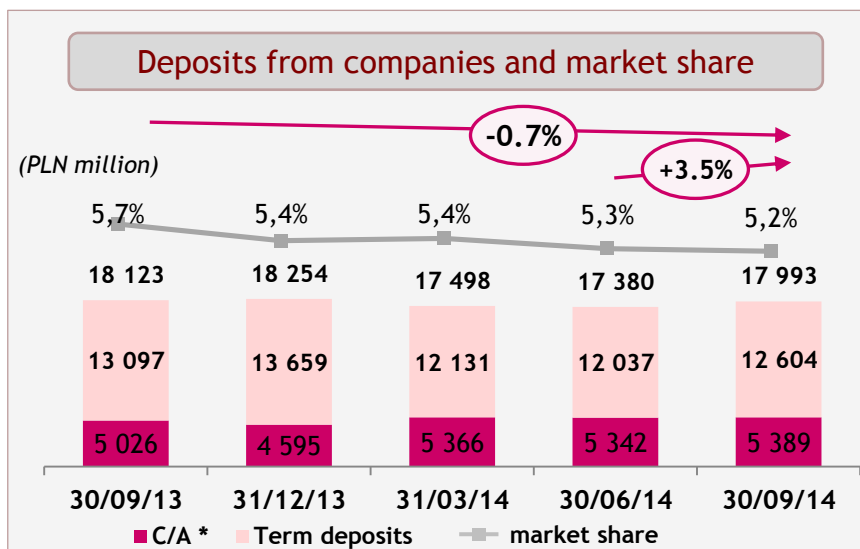
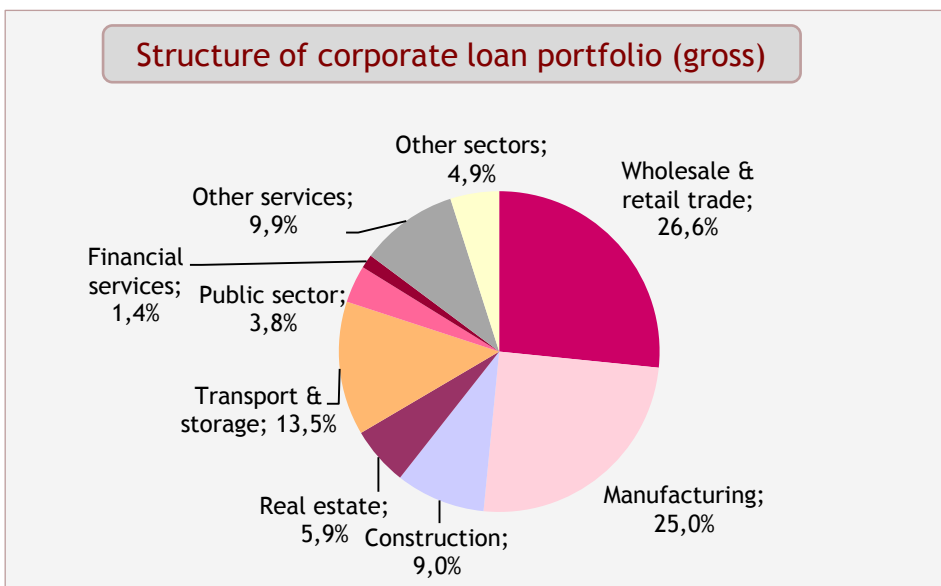


- PLN 578 million record sales of cash loans in 3Q'14; up by 12% quarterly and 15% yearly.
- Cash loan portfolio grew by 23% y/y (i.e. by PLN 671 million) and 6% q/q.
- Vast majority of cash loans are sold to existing customers.
- The value of mortgage loans sold in 3Q'14 was similar to the level of 2Q'14.

# Companies business results -loans and deposits

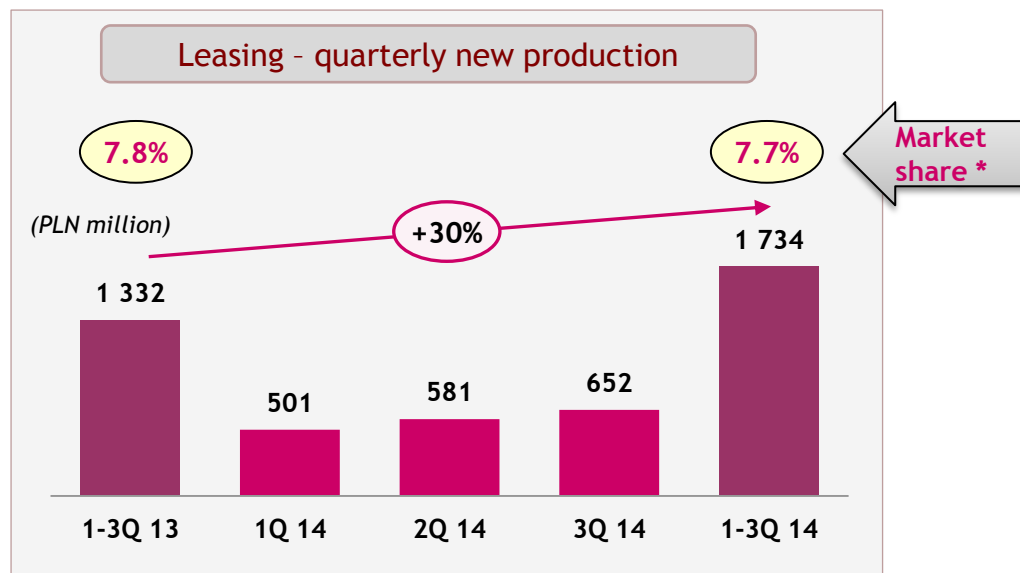


- Loans to companies (gross) grew visibly by 14.3% yearly and by 1.9% quarterly.
- Strong growth of leasing and factoring portfolios: +19% y/y and +17% y/y respectively.
- Total companies deposits slightly decreased by 0.7% y/y but increased quarterly by 3.5%. The positive factor here is the growth of current accounts balances by 7.2% y/y driven by growth of number of transactions.



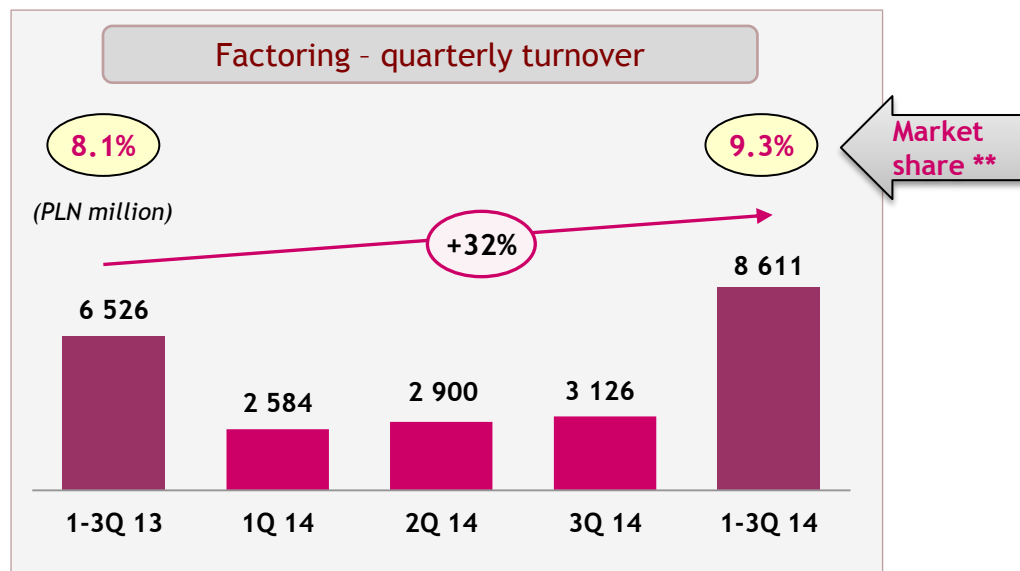
\* including overnight deposits

# Companies business results - leasing and factoring



- Excellent leasing sales in 1-3Q'14 of PLN 1,7 billion new disbursed financing, which was 30% higher compared to 1-3Q'13.

- High and stable market share\* in leasing new sales of movable assets: 7.7% in 1-3Q'14.



- Factoring quarterly turnover crossed PLN 3 billion and in 1-3Q'14 reached PLN 8.6 billion, which is 32% better than in 1-3Q'13. It translated into high market share\*\* of 9.3% in 1-3Q'14.

\* Bank's estimations based on ZPL data (commitments); market share in movables

\*\* Based on PZF and other banks data

# Agenda

**Macroeconomic overview**

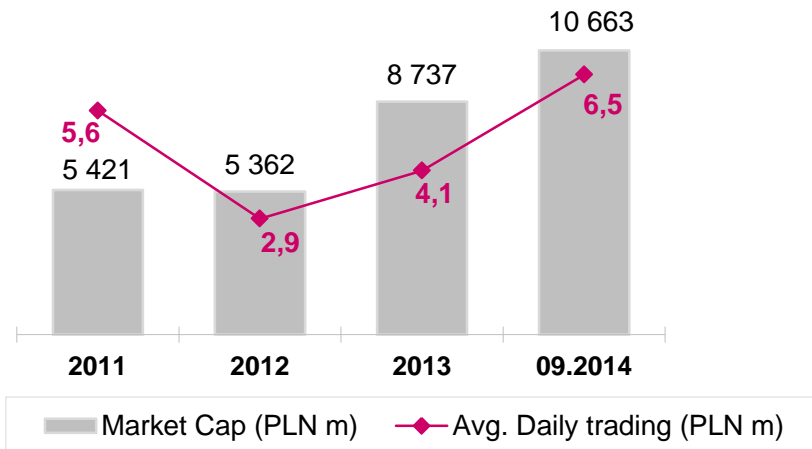
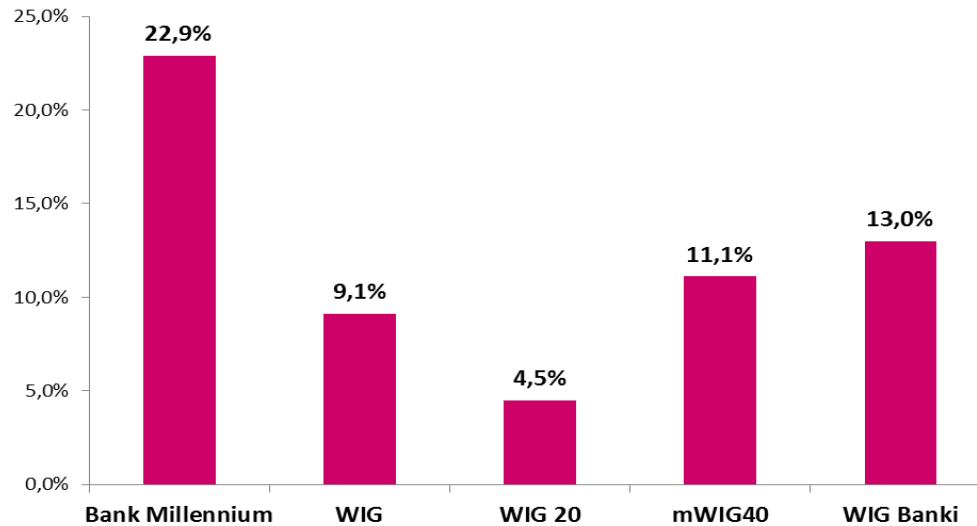
**Financial performance**

**Business development**

**Appendixes**

# Bank Millennium share performance

Annual stock performance of Millennium shares vs. main indices (as on 30 September 2014)

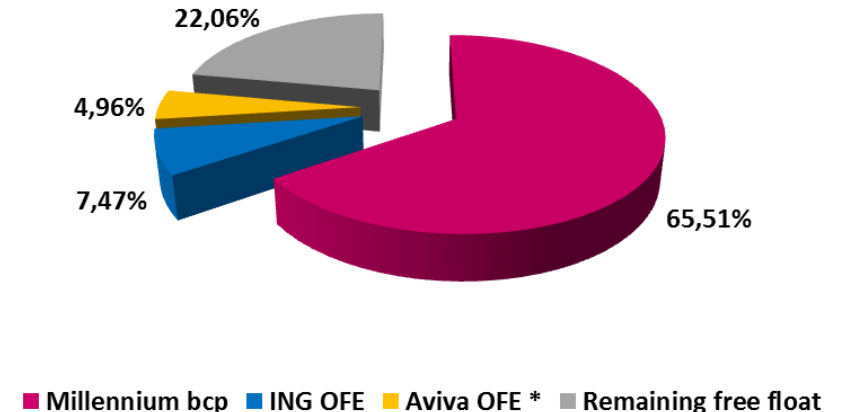


## GENERAL INFORMATION ON BANK MILLENNIUM SHARES

- **Listed:** Warsaw Stock Exchange since August 1992
- **No of listed shares:** 1 213 007 541
- **Indices:** WIG, mWIG40, WIG Banks, RESPECT Index, MSCI PL index
- **Tickers:** ISIN: PLBIG0000016, **Bloomberg:** MIL PW, **Reuters:** MILP.WA

Share price and turnover	30.09.14	30.09.13	Change y/y
BM share price (in PLN)	8.8	7.2	22.9%
Daily trading (PLN m, avg. ytd)	6.5	4.1	56.4%

## SHAREHOLDERS STRUCTURE (as at 30.09.2014)



(\*) Aviva OFE pension fund informed that on 4 of June 2014 reduced its stake in the total number of votes from 5.00% to 4.96%.



# Recent major awards and achievements

## Bank Millennium in Newsweek ranking top three



- Bank Millennium came **1st in the “Internet Banking”** category in *Newsweek’s* latest “Friendly Bank” ranking. The Bank moved up from the 2nd place last year thanks to “significantly shortening the time for all basic transactions and services as well as strongly simplifying procedures of opening an account online” as well as maintaining high quality of services.

Bank Millennium also **took the high 2nd place in the “Traditional Banking”** category and was classified **2nd in “Mortgage Banking”**.

The 13th annual *Newsweek* Ranking was based on a service quality audit carried out by means of the “mystery shopping” method and an assessment of the attractiveness of offers of largest banks in Poland..

## Bank Millennium among winners on Global Finance ranking lists

- Bank Millennium is yet again in the prestigious group of banks recognized by the *Global Finance* independent financial magazine. Bank Millennium topped the list in “Best Trade Finance Services” in the overall category of best internet banks for corporate customers. Moreover the Bank was also number one in Best Online Deposit, Credit and Investment Product Offerings for retail customers in Central-Eastern Europe.

## Bank Millennium Special recognition for corporate charge cards



- Bank Millennium’s Visa Executive Silver/Gold and Millennium MasterCard Corporate charge cards have been recognised by *Gazeta Finansowa* on its list of best banking products for SMEs. The *Gazeta Finansowa* list emphasises that charge cards are the perfect instrument for making and managing business expenses. They provide free access to funds both in Poland as well as abroad. They come with a spending limit defined by the bank. Payments with such a card are made with use of funds provided by the bank, which improves the business’s financial liquidity

## Bank Millennium The best macroeconomic forecasts

- Economists from Bank Millennium Macroeconomic Analyses Bureau came **first in the ranking of *Parkiet daily*** for the most correct macroeconomic and market forecasts in 2Q 2014. They have thus maintained the first spot taken in 1Q 2014. The ranking was prepared on the basis monthly forecasts for the most important data from the economy, among others inflation, industrial production, retail sale and the unemployment rate. The *Parkiet* ranking covers data received from 24 financial institutions.

# Main recent product marketing campaigns

## Account 360°

**Konto Osobiste**

**Konto 360°  
pełne korzyści**

- 0 zł** BRANŻOWY WYKŁAD I ZA GRANICĄ
- 0 zł** POLSKIE IAGI LECZYWY I TOBACZKI MEDYCYNĄ
- 0 zł** KONTA I GADGETY
- 0 zł** PASTELIOWY MEDYCYNĄ I ENA I ENY

**Millennium bank**

Wszystkie korzyści w ramach konta 360°

Account 360° concept was based on market analysis and Polish people preferences study concerning current accounts and soon enough it was appreciated by customers. Over 100 000 accounts was opened since May 2014.

Recently Bank has launched a new campaign based around the theme “traditional banking in a modern manner” starring internet personality Radek Kotarski, presenter of the popular “Polimats” web series.

## 4% deposit for Account 360° clients \*

**Konto Oszczędnościowe**

**Zaskakująco  
wysoki zysk**

**4%**

4% w skali roku przez 3 miesiące do 50 000 zł nowych środków na Koncie Oszczędnościowym dla Klientów z Kontem 360°

**Millennium bank**

Tradycyjna bankowość w nowoczesnym wydaniu

Holders of Account 360° can take advantage of higher promotional interest rate on **Savings Account** - **4%** per annum, effective for 3 months from the date of the first payment.

Promotional interest rate applies to new money to PLN 50,000 paid during the promotion, which runs until August 16th.

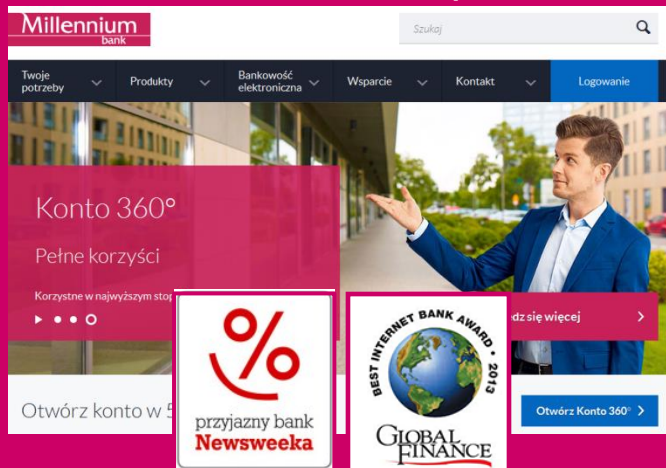
Holders of Account 360° can also benefit from higher interest rate on Mobile Deposit - as much as 4.50% per annum.

Mobile Deposit is a 3 months term deposit, available only in Bank Millennium Mobile Application.

(\*) valid until 31 October 2014

# Keeping competitive advantage in digital innovations

## Millenet Retail and Corporate



## Mobile Retail and Corporate



- Sales of cash loans over online channels increased up to 20% of total bank sales (volume monthly).
- First Bank in Poland to create a working prototype of a banking application for Google Glass and Android smartwatches
- New retail functionalities: transfer to email/phone number, widgets with balance before login, push notifications
- 250k total downloads of the applications for Android, iOS and Windows Phone 8
- Growth of the number of retail mobile banking users by 90% and increase of the number of transactions made in the mobile channel by 218% year-to-year
- Growth of the number of corporate mobile banking users by 235% and increase of the number of transactions made in the mobile channel by 208% year-to-year.
- Integration with online Trade Finance and Millennium Forex Trader modules in Millenet for Companies
- New functions in corporate mobile banking applications: multiple Millecodes support, Instant and SORBNET transfers, future date transfers, enhanced accounts history and logout button.

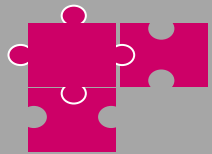
# Quality program



Starting from 2010 Bank Millennium consequently realizes Quality programme effecting every unit of the Bank (front lines and HQ units).



Voice of Customer is the key of our Quality program: combination of new and traditional survey methods gives us complete information and allows customers understanding.



Quality program concentrates on employees knowledge and skills, process gaps elimination, quality monitoring, servicing model improvement and designing.



**90% of our Clients are satisfied.**



**We know how to switch minds of our Clients from skepticism to enthusiasm.**



**Quality actions support fulfilling business plans.**



**Our work was rewarded**



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

<i>(PLN million)</i>	1-3Q 2013	1-3Q 2014	3Q 2013	2Q 2014	3Q 2014
	pro-forma	pro-forma	pro-forma	pro-forma	pro-forma
Net interest income*	925,1	1 111,0	323,1	377,3	377,1
Net commission income	441,4	469,5	141,9	163,1	150,9
Other non-interest income **	116,6	94,3	30,2	27,1	35,4
<b>Operating Income</b>	<b>1 483,1</b>	<b>1 674,8</b>	<b>495,2</b>	<b>567,5</b>	<b>563,4</b>
General and administrative costs	-774,0	-792,5	-249,8	-266,4	-264,9
Depreciation	-41,8	-39,8	-12,9	-13,1	-13,1
<b>Total operating costs</b>	<b>-815,8</b>	<b>-832,3</b>	<b>-262,7</b>	<b>-279,5</b>	<b>-278,0</b>
Net provisions	-170,9	-201,5	-56,6	-74,1	-61,7
<b>Operating profit</b>	<b>496,4</b>	<b>641,0</b>	<b>175,9</b>	<b>213,9</b>	<b>223,7</b>
<b>Pre-tax profit</b>	<b>494,7</b>	<b>641,0</b>	<b>175,9</b>	<b>213,9</b>	<b>223,7</b>
Income tax	-101,9	-147,7	-37,4	-50,3	-50,5
<b>Net profit</b>	<b>392,8</b>	<b>493,2</b>	<b>138,5</b>	<b>163,6</b>	<b>173,2</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 49.6 million in 1-3Q 2013 and PLN 5.5 million in 1-3Q 2014) is presented in Result on Financial Operations.

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

<i>(PLN million)</i>	1-3Q 2013	1-3Q 2014	3Q 2013	2Q 2014	3Q 2014
Net interest income (reported under IAS)	875,4	1 105,4	311,8	375,8	374,3

# Business segments results

(PLN million)	Retail segment			Companies segment			Treasury, ALM and other		
	1-3Q 2013	1-3Q 2014	change	1-3Q 2013	1-3Q 2014	change	1-3Q 2013	1-3Q 2014	change
Net interest income	684,7	869,0	26,9%	238,8	242,8	1,7%	-48,1	-6,3	-
Net commission income	345,0	365,5	6,0%	95,7	100,0	4,5%	0,7	4,0	430,3%
Other income *	71,4	67,1	-6,1%	27,6	36,0	30,2%	67,2	-3,2	-
<b>Total operating income</b>	<b>1101,1</b>	<b>1301,6</b>	<b>18,2%</b>	<b>362,1</b>	<b>378,7</b>	<b>4,6%</b>	<b>19,9</b>	<b>-5,5</b>	<b>-</b>
<b>Total operating expense **</b>	<b>-619,5</b>	<b>-628,0</b>	<b>1,4%</b>	<b>-145,9</b>	<b>-157,6</b>	<b>8,0%</b>	<b>-50,4</b>	<b>-46,7</b>	<b>-7,3%</b>
<i>Cost/Income</i>	56,3%	48,3%	-8,0 p.p.	40,3%	41,6%	1,3 p.p.	-	-	-
<b>Pre-provisions income</b>	<b>481,6</b>	<b>673,5</b>	<b>39,9%</b>	<b>216,2</b>	<b>221,2</b>	<b>2,3%</b>	<b>-30,4</b>	<b>-52,2</b>	<b>-</b>
Net provisions	-97,7	-68,5	-29,9%	-72,6	-132,7	82,8%	-0,5	-0,3	-41,9%
<b>Pre-tax income</b>	<b>383,8</b>	<b>605,1</b>	<b>57,6%</b>	<b>143,6</b>	<b>88,5</b>	<b>-38,4%</b>	<b>-32,7</b>	<b>-52,6</b>	<b>-</b>

(\*) including FX income

(\*\*) without impairment charges

# Balance Sheet

<b>ASSETS</b>	(PLN million)	<b>30/09/2013</b>	<b>30/06/2014</b>	<b>30/09/2014</b>
Cash and balances with the Central Bank		3 494	2 607	1 705
Loans and advances to banks		1 934	2 137	1 711
Loans and advances to customers		41 921	43 374	43 847
Amounts due from reverse repo transactions		514	319	382
Financial assets at fair value through P&L and hedging derivatives		1 032	1 152	1 446
Investments		8 319	8 761	10 776
Tangible and intangible fixed assets		204	198	192
Other assets		683	682	600
<b>TOTAL ASSETS</b>		<b>58 102</b>	<b>59 231</b>	<b>60 658</b>

<b>LIABILITIES AND EQUITY</b>	(PLN million)	<b>30/09/2013</b>	<b>30/06/2014</b>	<b>30/09/2014</b>
Deposits and loans from banks		2 529	2 169	2 087
Deposits from customers		45 228	45 970	47 435
Liabilities from repo transactions		749	679	314
Financial liabilities at fair value through P&L and hedging derivatives		1 999	1 577	1 778
Liabilities from securities issued & securitisation		758	1 623	1 749
Provisions		55	94	97
Subordinated liabilities		637	625	631
Other liabilities		949	1 060	912
<b>TOTAL LIABILITIES</b>		<b>52 904</b>	<b>53 796</b>	<b>55 002</b>
<b>TOTAL EQUITY</b>		<b>5 197</b>	<b>5 435</b>	<b>5 656</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>58 102</b>	<b>59 231</b>	<b>60 658</b>

## Contact



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