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. Innovation and new technologies have become strategic pillars underpinning the bank’s growth in 2015-2017, in addition to growth in customer numbers. The awards we have received and our expanding customer base confirm that we made the right strategic choice.

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

- Joao Bras Jorge, Management Board Chairman

For more than 25 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 and Millennium Towarzystwo Funduszy Inwestycyjnych.

Key awards and distinctions in 2016

- NEWSWEEK’s FRIENDLY BANK
- BEST DIGITAL BANKS 2016
- GLOBAL FINANCE AWARD
- SERVICE QUALITY STAR
- QUALITY IN THE BANK
- CONSUMER’S CHOICE
- RESPECT INDEX

° all figures presented in this publication are 2016 data

We are a bank that emphasizes traditional banking with a modern twist
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 centers, Internet and brick and mortar stores. It features a sophisticated recommendation system to deliver tailor-made proposals to users. This platform's development was facilitated by the experience of our bank's highly qualified employees who created one of the best transaction systems and mobile apps in Poland.

- Ricardo Campos, Director of the Electronic Banking Department

Innovation is a process of designing a new approach, transforming an idea into a product, creating new quality. We participated in the public discussion on innovation by publishing a report entitled “Millennium Index – Regional Innovation Potential”. Having observed the differences in the innovation potential of various regions we analyze its overall business context. This report and the ranking of Voivodships will be prepared every year to study and benchmark evolution in these geographical areas. In subsequent phases of our study, we will also look at the drivers of the results of various sectors of the economy.

- Natalia Kukulska, Sector Analysis Team at the Ratings Department

- 2016, similarly to several prior years, was a year of innovation for us. We created Poland’s first motor insurance offered by mobile phone by scanning the vehicle registration document. We were also the first ones in Poland to offer registration of prepaid telephone SIM cards via Milenet Internet banking without having to visit an operator’s outlet.

We continue to support the digital revolution actively in Poland’s state administration. Our customers are able to file applications under the “Family 500+” program via Internet banking, use the ZUS Electronic Service Platform and a Trusted Profile to gain secure and convenient access to more than ten public administration services (including: ePUAP, PUE ZUS, CEIDG).

- Halina Karpińska, Head of the Sales, UX and Design Sub-Unit

We participate in the discussion on developing innovation in Poland

We develop unrivalled products and solutions

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

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We are growing
day by day

High profit, growing customer numbers, innovative solutions

- The Bank is growing in line with our targets with the quarterly financial results marking our progress. Despite difficult external conditions, we are satisfied with our results. The 2016 net profit was PLN 701 million, driven mainly by robust performance in the bank’s key operating areas and non-recurring events. In finance, we improved the cost to income ratio from 54% to 45%, we increased our capital to almost PLN 7 billion and we managed to build a very solid liquidity position in the bank. At present, we are the eighth largest bank in Poland measured by assets. In turn, we are the leader in innovation and new technologies. - Fernando Bicho, Vice-President of the Management Board

Employee development is critical

- 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 organizations, we create expert programs in which we invite young and promising talented individuals. We are an attractive place of work for IT exports – Jacek Chmielewski, Director of the HR Department

Consolidated data (in PLN million)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td>Total Assets:</td>
<td>60,740</td>
<td>66,235</td>
<td>68,793</td>
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<tr>
<td>Shareholders’ Equity</td>
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<tr>
<td>Total Deposits:</td>
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<td>Total Loans:</td>
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<tr>
<td>Operating Income:</td>
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<td>2,472</td>
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<tr>
<td>Operating Cost:</td>
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<tr>
<td>Net Income:</td>
<td>650.9</td>
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<td>Cost/ Income ratio:</td>
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<td>ROE:</td>
<td>11.8%</td>
<td>9.1%</td>
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<tr>
<td>Total Capital Ratio:</td>
<td>15.2%</td>
<td>16.7%</td>
<td>17.4%</td>
</tr>
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</table>
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. 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 begun to change the appearance of our branches; in 2016 we opened new branches in Gdańsk, Łódź and Katowice. 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

Customers and their opinions are the driving force for all of the bank’s activities. Every year, we conduct more than twelve thousand interviews and we analyze every complaint to discover what we can improve. For the introduction of new solutions to be successful, it is not enough for customers to accept them but also to like them: only then will they use them. For some years now, we have been working with “design thinking” by using a service design methodology focused on user experience and on learning and satisfying users’ specific needs. We believe that listening to our customers and the resulting quality of service is the foundation of our business: it allows us to cultivate relations with our existing customers and attract new customers. – Magda Macko, Director of the Quality Department

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As we design solutions for businesses, we always endeavor to be one step ahead of customers’ needs.

- 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 customize service.

I must admit, however, that day-to-day contact with a bank is based on top of 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 Gregorczyk, Director of the Corporate Banking Marketing Department

Listening to customers is a business fundamental

Service quality is our priority and our hobby

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Our participation in the governmental “Family 500+” program is one of many 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. When we offered the option to submit applications through the Millenet Internet banking system, more than 50 thousand customers who are parents responded.

Through the gradual expansion of our banking system’s functionality, it increasingly becomes a window to the digital world for Poland’s administrative authorities. Our 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 Misiak, Director of the Retail Banking Marketing Department

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 organized more than 240 workshops in 70 kindergartens across Poland. In 2016, we also launched a grant-based employee volunteering program.

- Iwona Jarzębska, Spokeswoman and Director of the PR area

Digital accessibility for everyone

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We care about the environment in which we operate

- 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

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