

Letter from the Chairman	Financial Situation	▼	<b>X</b>
At a Glance	<b>Business Activity</b>	▲	
Highlights and main events	Retail Banking	▼	
Market conditions and business prospects	Corporate Banking	▼	
	Treasury and investment operations	▼	
	<b>Business activity of subsidiaries</b>	▼	
	Risk Management	▼	
	Human resources management	▼	
Responsible business and CSR			
Additional Information			
Statement of Management Board			

## Business activity of subsidiaries

### Leasing services

Millennium Leasing sp. z o.o. is the Bank's subsidiary offering leasing services. The Company's activity covers both financing of movables (mainly means of transport and machines and equipment for all the sectors of the economy and services) as well as real estate.

The total value of concluded leasing agreements in 2014 stood at PLN 2 252 m, which means a growth by 17.6% from 2013.

Millennium Leasing came 5th in the ranking of leasing companies in Poland in terms of the value of all objects, with 7% market share according to data from the Polish Leasing Association. Most leasing Clients are the Bank's Clients: microbusinesses and Corporate Clients.

Millennium Leasing was created in 1991 and is one of the oldest firms operating on the leasing market in Poland. The scale of Company operations is demonstrated by signing almost 144 thousand leasing

agreements with almost 45 thousand Clients for the total amount of 20.1 bn. The value of capital exposure to active leasing agreements, as of 31.12.2014, was PLN 4.05 bn, which means an 18.6% growth from 31.12.2013.

Currently the Company's portfolio includes 12.2 thsd. Clients. Sale of leasing services is conducted by leasing advisors in 67 company branches all over Poland and through relationship managers at branches and in Bank Millennium's corporate network.

## Brokerage Services

Brokerage at the Millennium Bank Group is conducted by Millennium Dom Maklerski S.A., which provides a broad scope of brokerage services, in particular in terms of implementing orders to purchase or sell financial instruments on the principal's account, purchase or sell financial instruments for own account, run securities accounts and money accounts necessary to run them, investment advice, advice for enterprises on capital structure and strategy and mergers, demergers and taking over of enterprises, offering of financial instruments, providing services in implementation of concluded agreements for investment and service sub-issues, preparing investment and financial analyses and other recommendations with respect to financial instruments.

In 2014 the regulated market turnover of Millennium DM on the stock market stood at PLN 3 914 m, which gave the company a 1.0% market share according to the Stock Exchange data. As of 31 December 2014 Millennium DM ran 60 530 investment accounts and operated as a marketmaker and bookrunner for nine companies listed on the Stock Exchange and for one corporate bond listed on BondSpot.

In 2014 Millennium DM as the underwriter conducted an initial public offering of Dekpol S.A. and as a leader of a public consortium conducted a public offering of Altus TFI S.A. In 2014 Millennium DM also conducted the purchase of shares of the companies: Emperia S.A. and Muza S.A and intermediated in the public call for shares of EGB Investment S.A.

## Investment Funds

2014 was a good year for investment funds, despite a lower growth rate of assets compared to 2013. The assets of investment funds went up in 2014 by PLN 20 billion, which constitutes 10.6% of their value last year. Investors were encouraged to more extensively use other forms of savings than bank deposits by an increasingly richer and more diversified offer of investment funds. They were not discouraged from this lack of rising valuations on the equities market and poor results of share funds.

The net assets value of investment funds managed by Millennium TFI was PLN 3 568 million at the end of 2014, having grown over the year 2.7%. Subfundusz Obligacji Korporacyjnych (Corporate Bonds Subfund) is particularly noteworthy, as its assets in 2014 went up by PLN 666 million. The structure of participants of Millennium TFI funds changed for the better. The average value of assets per one user went up from PLN 28 228 in 2013 to PLN 30 466 in 2014. In 2014 the Millennium TFI launched a new subfund under the name of Millennium Fundusz Inwestycyjny Otwarty – Subfundusz Instrumentów Dłużnych (Open Investment Subfund – Debt Instruments Subfund).

