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Supplementary Information

1) 2014 Dividend

The Bank has approved a dividend policy of distributing between 35% to 50% of net profit what is also subject to regulatory recommendations. Up to the date of publications of financial statements, the Management Board of the Bank has not yet submitted its recommendation regarding 2014 net profit distribution.

2) Data about assets, which secure liabilities

As at 31 December 2014 following assets of the Bank constituted security of liabilities (PLN'000):

No.	Type of assets	Portfolio	Secured liability	Par value of assets	Balance sheet value of assets
1	Treasury bonds	available for	Lombard credit granted to the Bank by the	130 000	131 209

1.	Treasury bonds WZ0118	sale	NBP	100.000	101.207
2.	Treasury bonds WZ0118	available for sale	Initial security deposit for bond futures	500	505
3.	Treasury bonds WZ0117	available for sale	Loan agreement	589.000	589.683
4.	Treasury bonds WZ0118	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	200.000	201.860
5.	Treasury bonds WZ0117	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	74.000	74.858
6.	Cash		Payment to the Futures Settlement Guarantee Fund	100	100
7.	Deposits	Deposits in other banks	Settlement on transactions concluded	1.501.094	1.501.094
Total				2.494.694	2.499.309

As at 31 December 2013 following assets of the Bank constituted security of liabilities (PLN'000):

No.	Type of assets	Portfolio	Secured liability	Par value of assets	Balance sheet value of assets
1.	Treasury bonds WZ0118	available for sale	Lombard credit granted to the Bank by the NBP	130.000	130.689
2.	Treasury bonds OK0114	available for sale	Initial security deposit for bond futures	500	499
3.	Treasury bonds WZ0115	available for sale	Loan agreement	202.000	204.384
4.	Treasury bonds WZ0117	available for sale	Loan agreement	377.000	380.167
5.	Treasury bonds WZ0115	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	15.000	15.177

Treasury

6.	Treasury bonds WZ0118	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	200.000	201.060
7.	Treasury bonds WZ0117	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	55.000	55.462
8.	Cash		Payment to the Futures Settlement Guarantee Fund	100	100
9.	Deposits	Deposits in other banks	Settlement on transactions concluded	715.622	715.622
Total				1.695.222	1.703.160

3) Securities covered by transactions with a buy-back clause (SBB)

As at 31 December 2014 following securities (presented in the Group's balance-sheet) were underlying Sell-buy-back transactions:

Type of security	Par value	Balance sheet value
Treasury bonds	59.589	59.733
TOTAL	59.589	59.733

In result of conclusion of Sell-Buy-Back transactions with the underlying securities presented in the table above, the Group exposed to risks, which are the same as in case of holding securities with the same characteristics in its treasury portfolio.

As at 31 December 2013 following securities (presented in the Group's balance-sheet) were underlying Sell-buy-back transactions:

Type of security	Par value	Balance sheet value
Treasury bonds	114.624	116.778
TOTAL	114.624	116.778

4) Offsetting of assets and liabilities on the basis of ISDA agreements

The majority of the Group's derivatives portfolio arises due to conclusion by the Bank framework ISDA agreements (International Swaps and Derivatives Agreements). Provisions included in the agreements define comprehensive procedures in case of infringement (mainly difficulties in payments), and provide

possibility to cancel a deal, making settlements with counterparty base on offset amount of mutual receivables and liabilities. To date, the Bank has not exercised that option, however, in order to meet information requirements as described in IFRS 7 the following table presents the fair values of derivative instruments (both classified as held for trading and dedicated to hedge accounting) as well as cash collaterals under ISDA framework agreements with a theoretical maximum amount resulting from the settlement on the basis of compensation.

	Amounts to be received	Amounts to be paid
Valuation of derivatives	428.732	2.894.306
Amount of cash collaterals accepted/granted	-6.771	- 1.490.826
Financial assets and liabilities covered by framework ISDA agreements allowing compensation	421.961	1.403.480
Theoretical maximum amount of compensation	-380.692	-380.692
Financial assets and liabilities covered by framework ISDA agreements allowing compensation taking into account theoretical maximum amount of compensation	41.269	1.022.788

5) Additional explanations to the cash flow statement

For the purpose of the cash flow statement the following financial assets are classified by the Group as cash or its equivalents.

	31.12.2014	31.12.2013
Cash and balances with the Central Bank	2.612.242	3.412.175
Receivables from interbank deposits (*)	379.165	336.577
Debt securities issued by the State Treasury (*)	2.407.056	3.004.023
of which available for sale	2.407.056	3.002.211
of which trading	0	1.812
Total	5.398.463	6.752.775

(*) Financial assets with maturity below three months

In the periods presented in the financial statements the Group has received and made interest payments in the following amounts:

Data in PLN thous.	01.01.2014 - 31.12.2014	01.01.2013 - 31.12.2013
Interests received, including:	2.521.940	2.587.973

- operating activities	2.275.075	2.282.541
- investing activities	246.865	305.432
Interests paid, including:	1.170.929	1.531.167
- operating activities	1.139.435	1.496.835
- financing activities	31.494	34.332

For the purpose of the cash flow statement the following classification of activity types was adopted:

1. Operating activities – cover the basic scope of operations connected with services provided by the Group’s units covering events whose purpose is to earn profit and not being investment or financial activity,
2. Investment activities cover operations connected with the purchasing and selling of fixed assets, in particular financial assets not included in the “for trading” category, shares and shares in subsidiaries, tangible and intangible fixed assets.
3. Financial activities cover activities connected with raising of funds in the form of capital or liabilities, as well as servicing sources of funding.

6) Information on custody activity

As of 31.12.2014 the Custody Department maintained 11,476 accounts in which Customers’ assets were kept with the total value of PLN 32.21 billion (including assets of the Group’s companies in the amount of PLN 0.33 billion). Net revenue from the custody business for 2014 amounted to PLN 7.84 million (of which PLN 0.01 million falls on Group’s companies). The Custody Department serves as a depositary bank for 80 mutual funds including 11 of Millennium TFI S.A.

7) Operating leasing

The Group has lease agreements for office space, which according to IAS 17 are posted under operating leasing. As a standard, the Group’s companies usually make agreements of lease of commercial property for a specified period of maximum 5 years’ time, with a clause providing the right of the lessee to extend the term of the lease for another 5 years upon presentation of a statement. The Bank (parent company) made in the past also other agreements with no time limitation, which may be terminated with adequate notice, usually 3 to 6 months.

Balance as at:	31.12.2014	31.12.2013
- to 1 year	172.273	138.454
- above 1 year to 5 years	399.393	368.406
- above 5 years	13.415	38.578

8) Securitisation

In December 2007 Millennium Leasing Sp. z o.o. ("ML"), carried out a transaction of securitisation of the portfolio of leasing receivables with value remaining within the defined limit of up to PLN 850 million ("securitisation", "transaction"). The concluded transaction was a traditional securitisation, i.e. it consisted in transferring the ownership right to the securitised leasing receivables by ML to the Orchis Sp. z o.o. ("Orchis") special purpose vehicle, which issued debt securities on the basis of the securitised assets.

Entities that participated in financing of Orchis were as follows:

1. European Investment Bank – fixed senior tranche investor in the amount of PLN 420,000,000,
2. Clipper Receivables LLC – variable senior tranche investor with maximum limit of PLN 379,000,000 and of the mezzanine tranche in the amount of PLN 35,275,000,
3. European Investment Fund – underwriter of mezzanine tranche,
4. Millennium Leasing Sp. z o.o. – junior tranche investor in the amount of PLN 15,725,000.

Privileged tranches were subject to depreciation, accordingly repayments of securitised portfolio.

In December 2013, Orchis redeemed all debt securities issued to the external entities involved in the financing of the transaction. As at 31 December 2014 the only remaining securitisation balances are mutual transactions between ML and Orchis that due their nature (intra-group transactions) are eliminated in the consolidation process and therefore do not generate additional risks for the Group.

9) Share based payments

In 2012 the Bank implemented Variable Remuneration Policy for Persons Holding Managerial Positions in Bank Millennium S.A. Group in accordance with requirements described in Resolution of Polish Financial Supervisory Authority no 258/2011.

According to the mentioned Policy, Bank's and Group's employees who are covered by this Policy, who have significant impact on Group's risk profile, will be paid variable remuneration on the basis of individual results and on the basis of unit / department and the entire Bank and Group results.

Part of the variable remunerations for employees of the Bank and Group will be paid in the form of Bank's phantom shares. Those payments fulfil definition of the cash-settled share-based payments.

Phantom Shares for:	2014	2013	2012
Kind of transactions in the light of IFRS 2	Cash-settled share-based payments		
Commencement of vesting period	1 January 2014	1 January 2013	1 January 2012
The date of announcing the program	30 July 2012		
Starting date of the program in accordance with the definition of IFRS 2	Date of the Personnel Committee meeting taking place after closing of financial year		
Number of granted instruments	Determined at the grant date of the program in accordance with the definition of IFRS 2		
Maturity date	3 years since the date of granting program		
Vesting date	31 December 2014	31 December 2013	31 December 2012
Vesting conditions	Employment in the Group 2014, results of the Group and individual performance	Employment in the Group 2013, results of the Group and individual performance	Employment in the Group 2012, results of the Group and individual performance
Program settlement	On the settlement date, the participant will be paid the amount of cash being equal to the amount of held by a participant phantom shares multiplied by arithmetic mean of the Bank's share price at the closing of last 10 trading sessions on the Stock Exchange in Warsaw, preceding the settlement date. Aforementioned value cannot be greater or less than 20% compared to the original value of the deferred share pool. Phantom shares are settled in three equal annual instalments starting from the date of the Personnel Committee which decides about assignment.		
Program valuation	The fair value of the program is determined at each balance sheet date according to the rules adopted for determining the value of the program on the settlement date.		

Phantom shares granted to Bank's employees who are not members of the Management Board of the Bank, for the year:	2014	2013	2012
Date of shares assigning	05.02.2015	13.02.2014	15.02.2013
Number of shares	128.217	126.342	108.328
- granted	0	0	0
- deferred	128.217	126.342	108.328

Value as at assigning date (PLN)	934.188	1.120.901	511.958
- granted	0	0	0
- deferred	934.188	1.120.901	511.958
Fair value as at 31.12.2014 (PLN)	-	1.048.634	614.351

Profit and Loss Account for 2014 has been charged with change in the value of the phantom shares assigned for the years 2012 and 2013, and the provision for phantom shares to be assigned for 2014.

Phantom shares granted to members of the Management Board of the Bank, for the year:	2014	2013	2012
Date of shares assigning	-	24.04.2014	03.07.2013
Number of shares	-	205.644	146.611
- granted	-	0	0
- deferred	-	205.644	146.611
Value as at assigning date (PLN)	-	1.800.000	768.825
- granted	-	0	0
- deferred	-	1.800.000	768.825
Fair value as at 31.12.2014 (PLN)	-	1.657.491	922.623

Until the publication of the Annual Report, the Personnel Committee of the Supervisory Board has not taken a decision on the amount of variable remuneration for the members of the Management Board for 2014.

10) Essential events between the date, for which the financial report was prepared and its publication date

CHF Appreciation

On 15th January 2015, the Swiss National Bank (SNB) announced that it was discontinuing maintaining the minimum exchange rate of CHF 1.20 per euro. At the same time, SNB announced that it was lowering the interest rate on sight deposit account balances to -0.75%. As a reaction, the EUR and the PLN depreciated versus the CHF.

The Bank does not expect significant worsening of the loans repayment as the influence of the Swiss franc appreciation against the Polish zloty will be partly offset by the decrease of CHF LIBOR3M rate. At the same time Polish banks have pledged to take measures against hypothetical problems with fx-loans repayment including non-increase of charges (collateral, new insurances), decrease of servicing of the debt for the clients (prolongation of the loan maturity, "holidays" in instalment repayment,

temporary reduction of fx spread).

However, taking into consideration the structure of the CHF denominated mortgage loan portfolio, temporary higher instalments may increase the level of non performing loans and subsequently the cost of risk. Additionally, proposals put forward by different polish authorities may trigger, if enforced, losses for the Bank.

Date	Name and surname	Position/Function
13.02.2015	Joao Bras Jorge	Chairman of the Management Board
13.02.2015	Fernando Bicho	Deputy Chairman of the Management Board
13.02.2015	Artur Klimczak	Deputy Chairman of the Management Board
13.02.2015	Julianna Boniuk-Gorzelańczyk	Member of the Management Board
13.02.2015	Wojciech Haase	Member of the Management Board
13.02.2015	Andrzej Gliński	Member of the Management Board
13.02.2015	Maria Jose Campos	Member of the Management Board