



Presentation to the Ordinary General Meeting of Bank Millennium S.A

Bank Millennium and Bank Millennium Group
2024 results

March 27, 2025



Disclaimer

This presentation has been prepared by Bank Millennium for its stakeholders for information purpose only. The information presented in this presentation should be read together with other information published by the Bank (on www.bankmillennium.pl), in particular financial and current reports.

Financial data presented hereby is on consolidated Bank Millennium Group level.

Data is based on published financial reports with following pro-forma adjustments:

- The Bank altered its presentation of margin on derivatives that is not meeting formal hedge accounting principles and from Jan 1, 2021 all margin from derivatives is included in the reported NII.*
- According to current understanding of IFRS9 standard, small part of credit portfolio is fair valued through P&L. As fair value adjustment of this portfolio has similar economic effect to impairment adjustment, in this presentation it was excluded from 'total operating income' and added to cost of risk line.*
- Starting from 3Q22 a part of costs of amicable settlements with FX-mortgage borrowers is presented in 'results from modifications' and these costs are not included in the cost of credit risk in this presentation.*
- Cost of credit holidays is presented in interest income/NII. For comparison purposes, in this presentation NII/NIM and other figures are presented also before such an impact.*

This presentation should not be treated as a recommendation to purchase securities, an offer, invitation or a solicitation of an offer to purchase, invest or conclude any transaction on securities, in particular with respect to securities of Bank Millennium.



AGENDA



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01

Macro overview

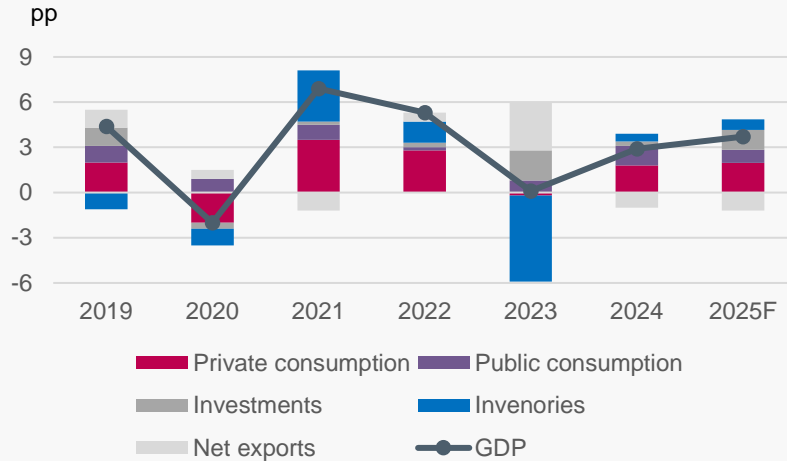
AGM presentation

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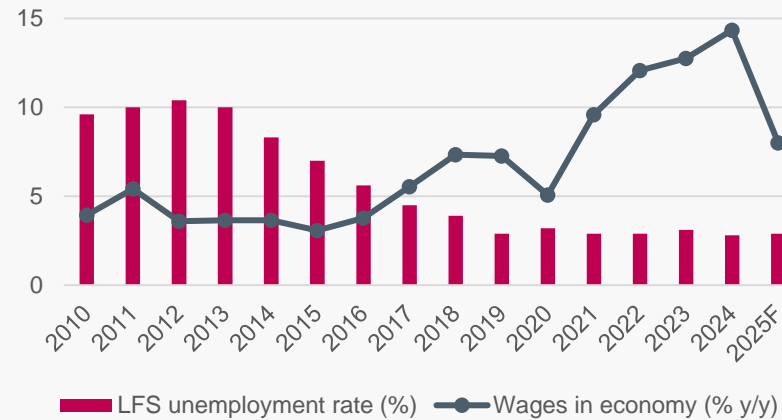


Macroeconomic environment

GDP growth breakdown

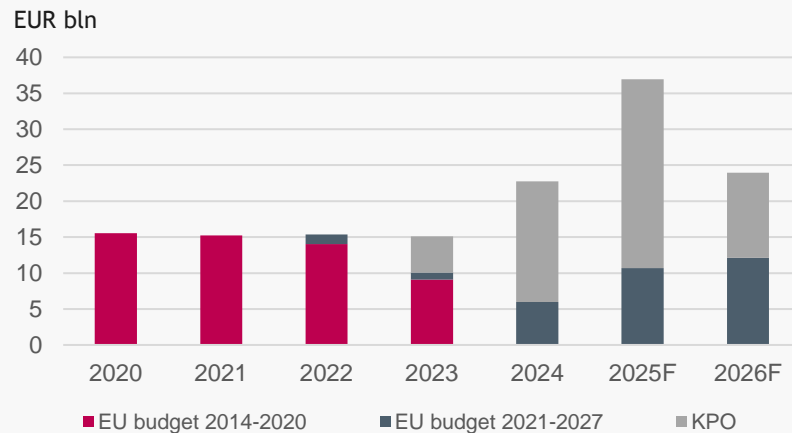


Unemployment rate and wage growth

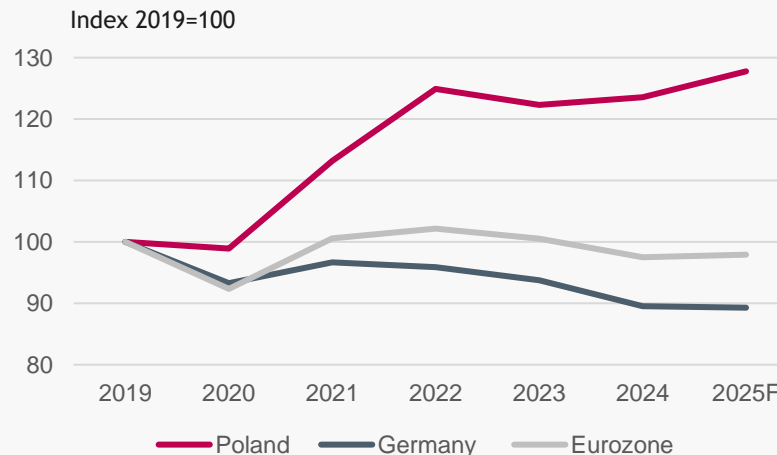


- GDP in Poland grew in 2024 by 2.9% after growing by 0.1% in 2023.
- The main driver of growth was household consumption, which was supported by a very good situation on the labour market and increased social transfers. However, consumption in 2024 was weaker than expected.
- Investments in fixed assets only slightly supported the economy in 2024, growing by 1.3% y/y after an increase of 12.6% y/y a year earlier.

EU funds inflow



Industrial production in selected economies

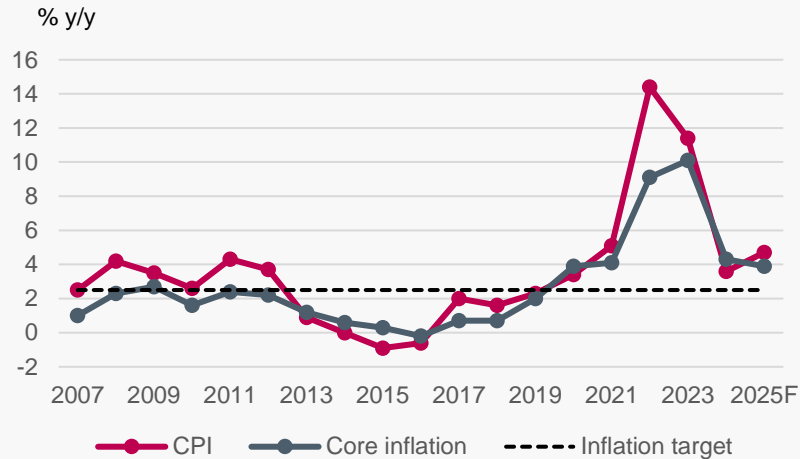


- According to the Bank, GDP will grow in 2025 by 3.7% and the main driver of the economy will continue to be households' spending supported by solid wage growth. However, it will probably not be as strong as in 2024, partly due to the expected smaller increase of the minimum wage.
- In 2025, investments should join the growth drivers, along with the implementation of projects co-financed with EU funds.
- Outlook for the Polish economy is subject to higher than usual uncertainty, mainly because of geopolitics and weak recovery in the Eurozone.

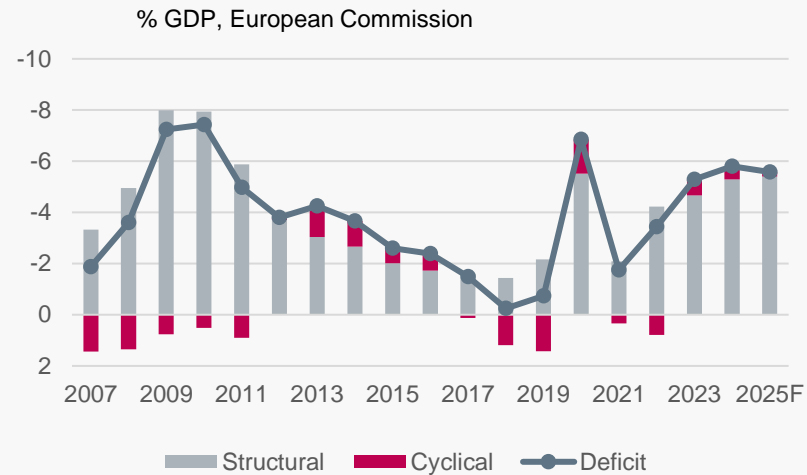


Macroeconomic environment

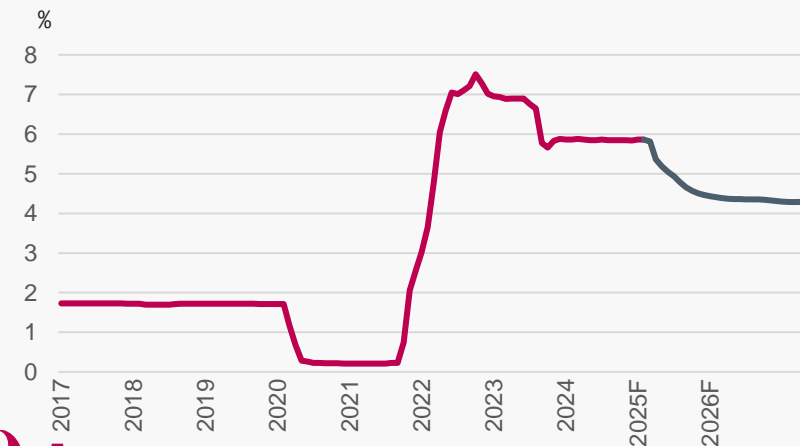
CPI inflation



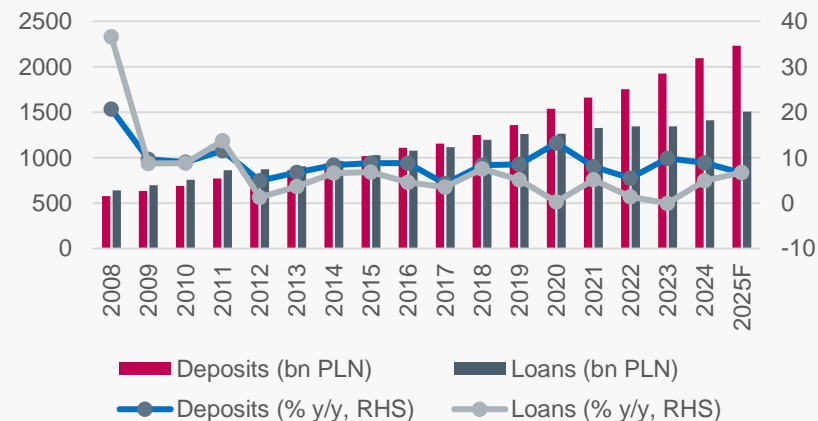
Fiscal deficit



WIBOR 3M and market expectations



Deposit and loans



”

- Consumer inflation is expected to accelerate slightly in 2025 because of changes in regulatory prices. The main uncertainty factors for the inflation outlook are related to regulatory decisions (energy prices), elevated inflation expectations, low unemployment and still high wage growth.
- CPI will stay above the central bank's target throughout 2025.
- Fiscal deficit remains elevated because of high social spendings and military expenditures, exerting additional demand pressure on prices.

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- Monetary policy remains relatively restrictive because of elevated inflation and loose fiscal policy. In Bank's opinion the MPC might start to ease monetary policy in 2H 2025. The room for rates cuts is however limited. The reference rate is expected to go down in 2025 by no more than 100 bps.
- In the Bank's opinion, deposits in the banking sector will continue to grow in 2025 driven by solid financial situation of households and liquidity of Polish companies. Credit growth is expected to recover, mostly due to corporate investments.

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02

Financial results

AGM presentation

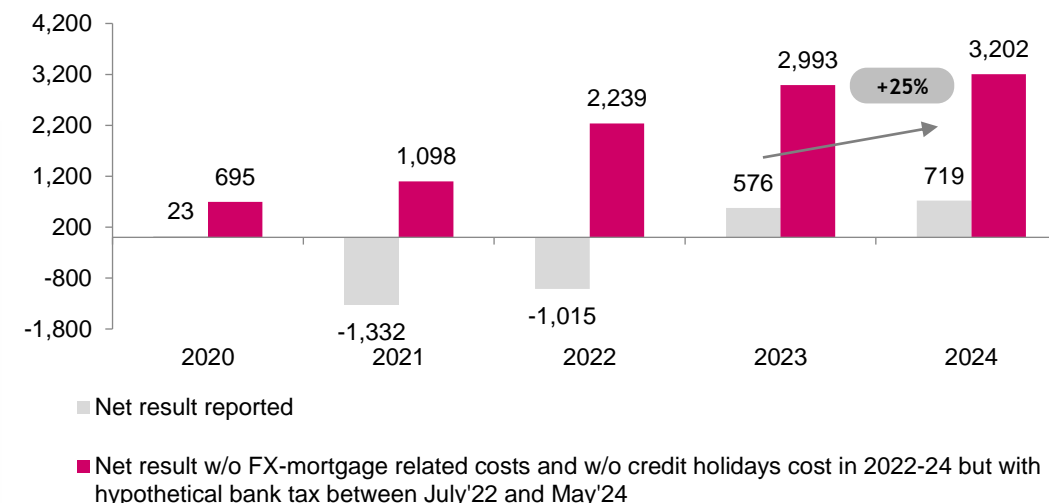


High profitability of core business

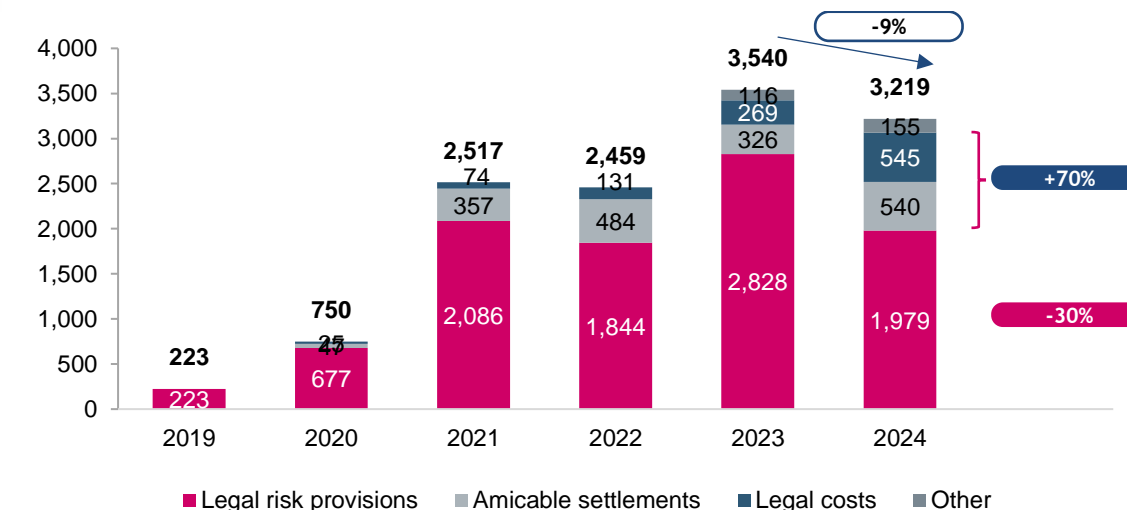
Significant improvement in reported results

- The BM* Group is sustainably on a 'positive path' with net profit reported since 4Q22. This follows a period of net losses (4Q20-3Q22) which were caused by substantial FX-mortgage related costs (legal risk provisions, costs of amicable settlements, legal costs) and material external factors (credit moratoria).
- **BM Group reported profit of PLN719 million (up 25% y/y) in 2024**
- Reported net profit of 2024 translated into 9.8% ROE.
- In recent quarters, core business profits significantly outweighed the otherwise continuing high costs related to FX-mortgages.
- Total FX-mortgage costs burdening P&L were **9% lower** than in the previous year.

Net results: reported and adjusted (PLNmnn)



FX-mortgage related costs (P&L, PLNmn before tax)



(*) BM denotes Bank Millennium S.A.

Reported 2024 net profit of PLN719mn (+25% y/y), adjusted at PLN3.2bn (+7% y/y).

Adjusted ROE of 18.5%.

Net profit

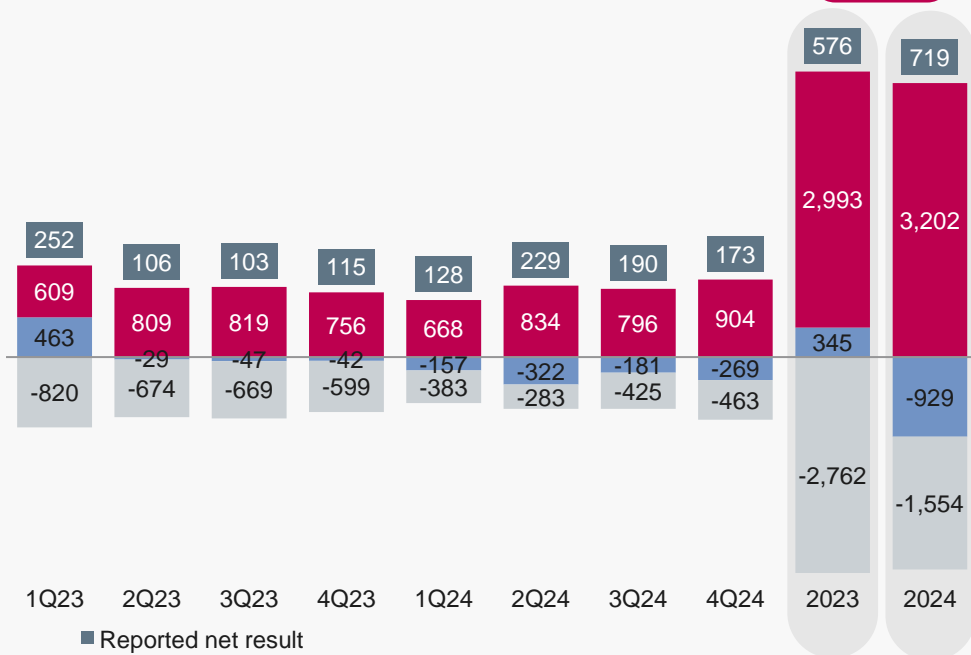
PLNmnn

21.7% 18.5% ROE adjusted*

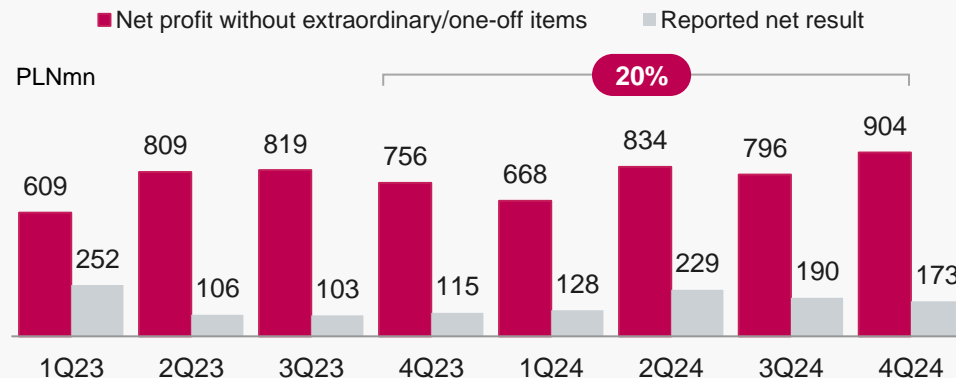
9.1% 9.8% ROE reported

25%

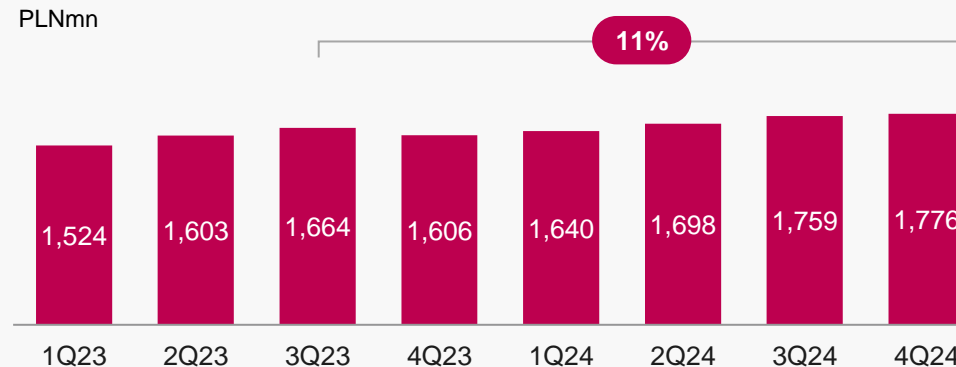
7%



Net profit w/o extraordinary* items



Operating income w/o extraordinary items**



(*) Extraordinary items: FX-mortgage related costs (tax adjusted) and hypothetical bank tax until the end of May 2024; cost of credit holidays and its adjustments impacted 2023 (PLN9mn) and 2024 results (PLN113mn); in 2023 the Bank recognised income from bancassurance transaction (PLN652mn pre-tax); ROE: Equity adjusted by FX mortgage related costs since 2020

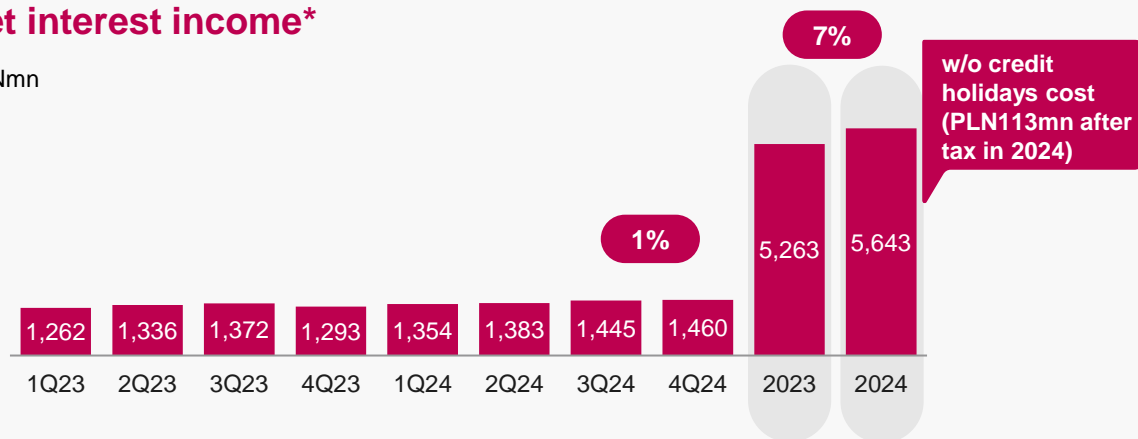
(**) Extraordinary items: FX-mortgage related costs in FX income and other operating income/cost and indemnity from SG. Additionally: income from bancassurance transaction (in 2023) and cost of credit holidays

NII w/o credit holidays still in uptrend (+7% y/y in 2024).

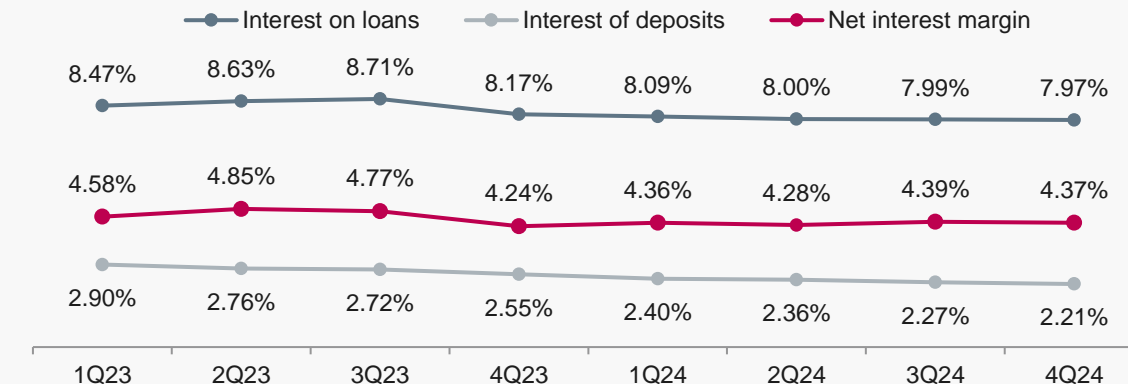
NIM in 4Q24 almost flat at 4.37%. Final cost of credit holidays for 2024 lower-than-expected at PLN113mn.

Net interest income*

PLNmn

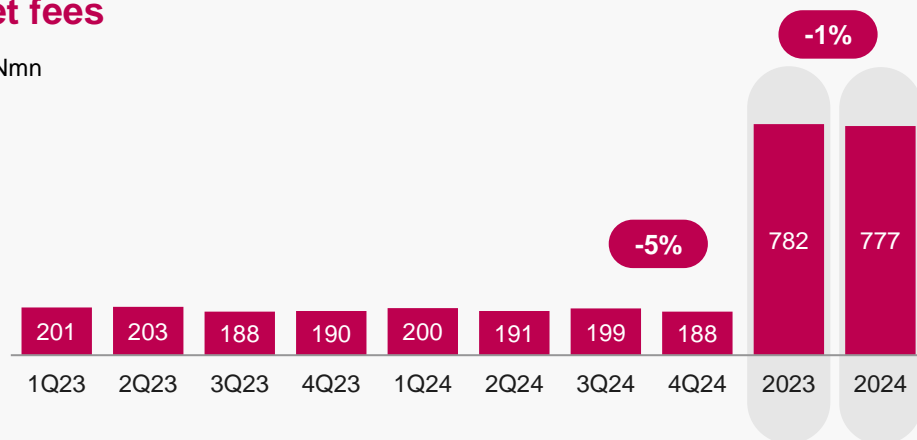


Interest on loans* and deposits (quarterly average)



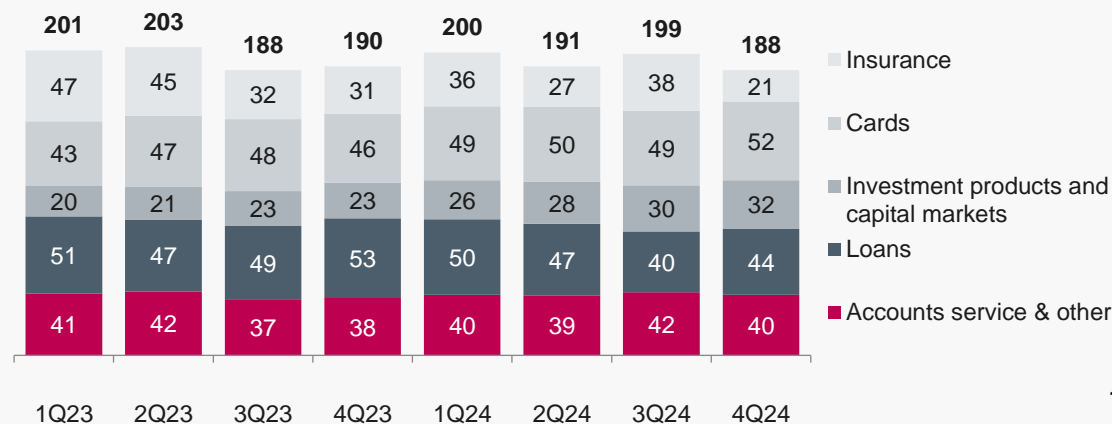
Net fees

PLNmn



Fee income structure

PLNmn



(*) without cost of credit holidays and its adjustments: preliminary cost of PLN201mn in 2Q24 and a release of PLN44mn in 3Q24 and PLN45mn in 4Q24

Operating costs up 13% y/y. C/I (adjusted) at 31%.

C/I at a stable low level (~30% for the last two years). Evolutionary adjustment of staff and branches leveraging on digital banking development.

Operating cost

PLNmn

Cost/income adjusted*

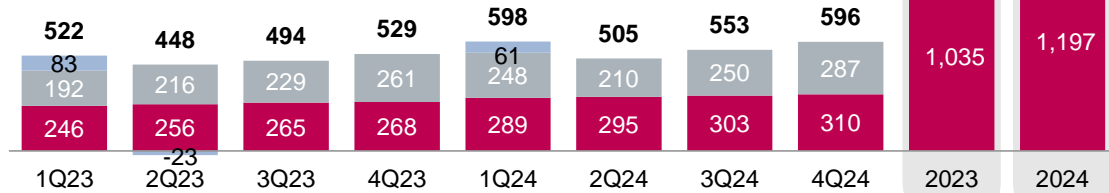
29.5% 30.8%

13%

11%

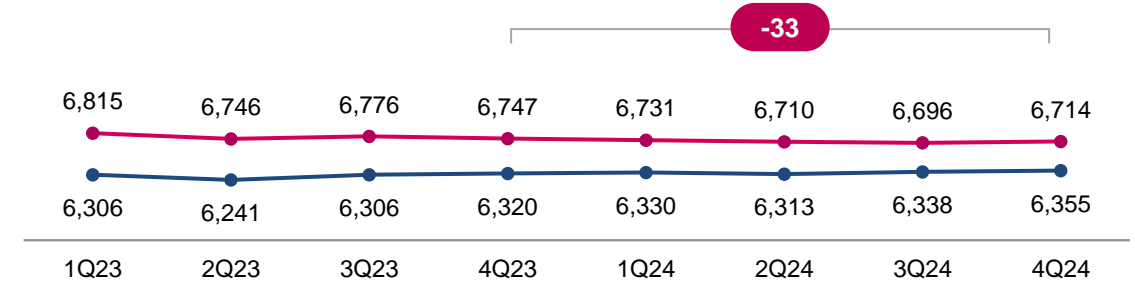
16%

■ BFG cost
■ Other administrative cost
■ Personnel cost



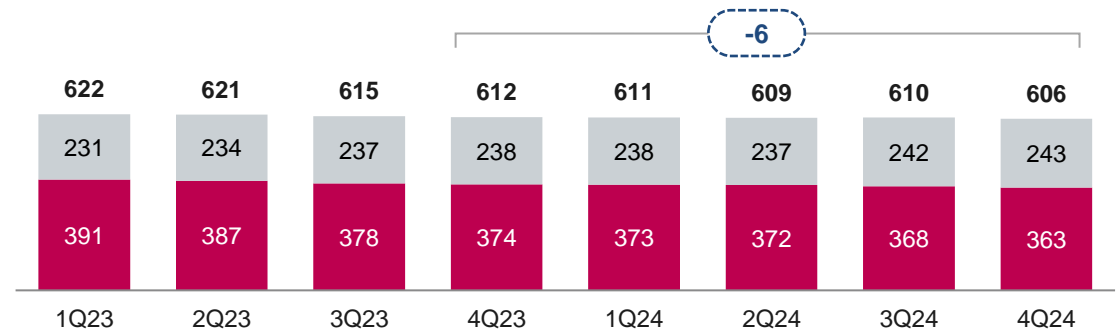
Employees

● Employees (FTE) ● Headcount w/o long-term leaves



Branches

■ Own ■ Partners' outlets



(*) without one-off income, credit holidays cost and FX mortgage related costs (litigation and amicable settlements with clients)

Strong credit quality with improving trend in consumer loans supported by NPL sales.

CoR at relatively low level of 40bps in 2024.

Coverage ratio

72% 73%

Cost of risk*

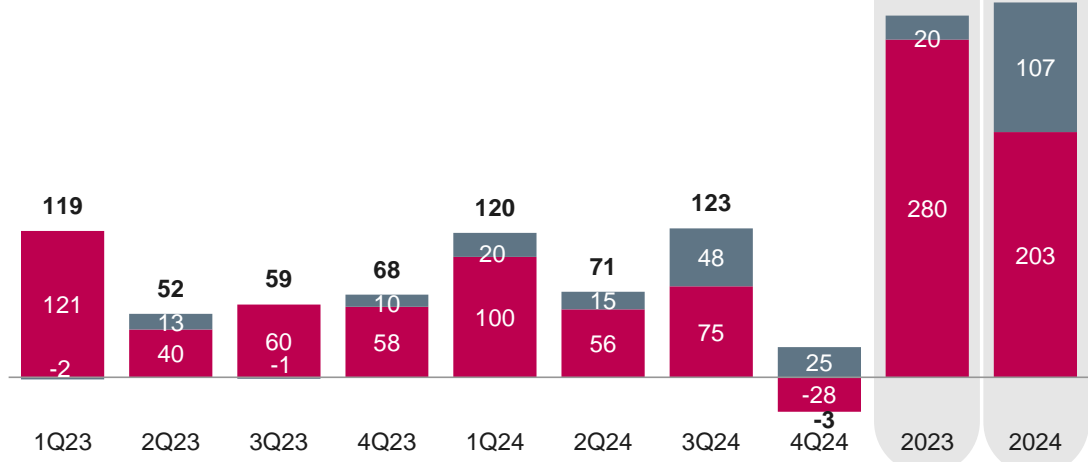
bps

Total loans	39	40
Retail	47	33
Companies	13	63

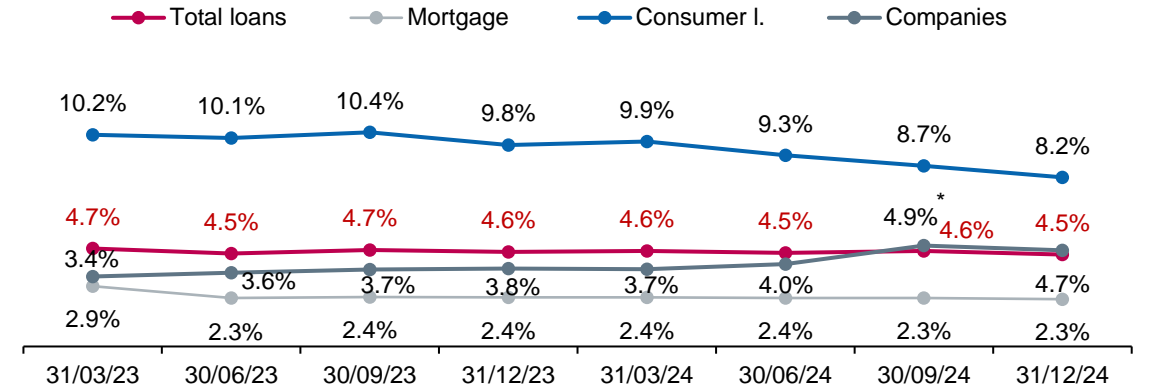
PLNm

4%

■ Companies and other ■ Retail



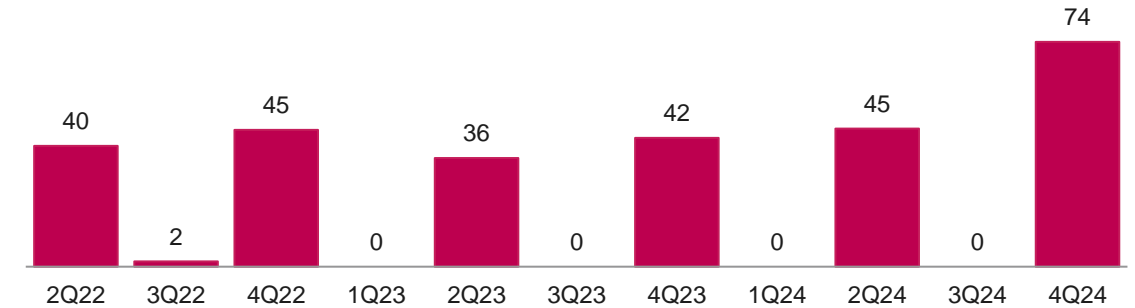
Impaired loans (IFRS9 stage 3 & POCI)



* Impact of two isolated cases moved to Stage 3

Result from sale of NPLs (pre-tax)

PLNm



03

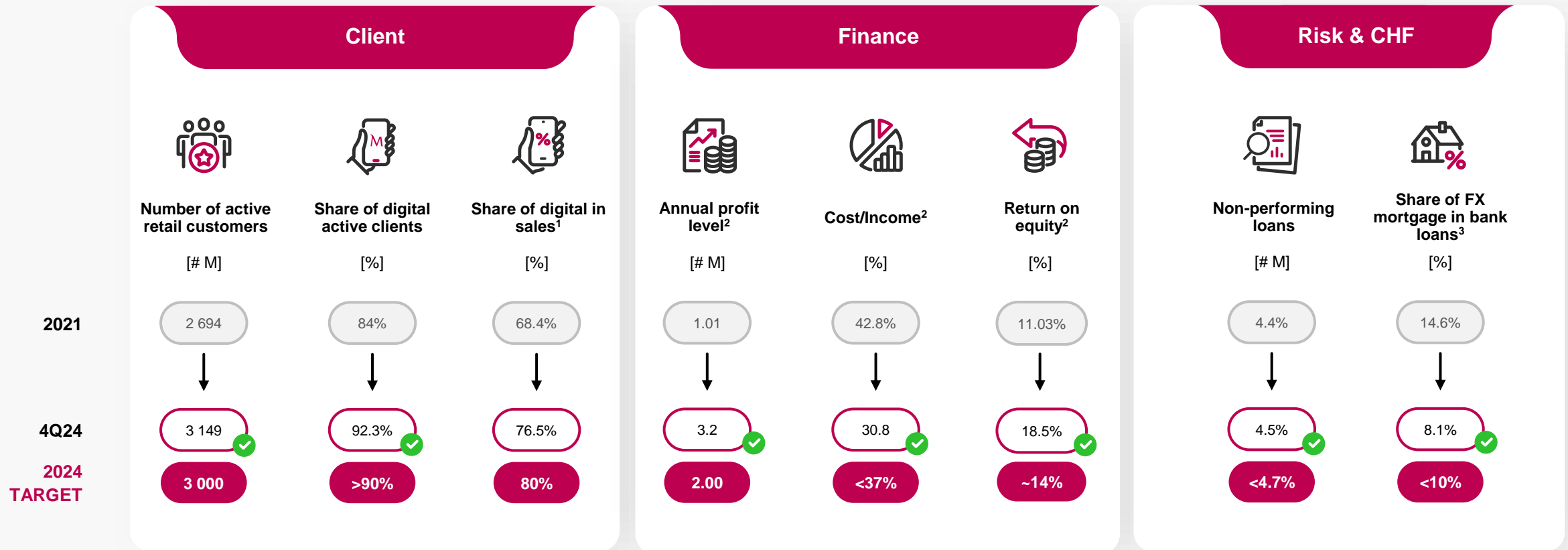
Bank Millennium strategy 2025-2028

AGM presentation



In 2024, we successfully completed the implementation of “Inspired by People” strategy.

We outperformed on majority of ambitions and delivered most ahead of the plan.



(1) calculated as an average of digital sales shares in key products volumes; (2) Excluding FX-mortgage book related costs (for 2023 excluding also financial impact of bancassurance transaction); (3) W/o deduction of allocated legal risk provisions, consolidated

At the end of 2024, we announced a new strategy: STRATEGY 2028 – Value & Growth



Ambition

We embrace innovation, digitally delivering top-quality services, to be the primary bank for individuals and companies in Poland



2028 Goals

LEADER

In corporate and retail NPS

3.7M

Active retail clients

70%

Primary¹ retail clients

>95%

Digitally active clients

~2x

Corporate lending volume

<4%

NPL ratio

~15%

Tier1

~37%

C/I

~18%

ROE

DIVIDEND

Return to dividend payments from 2027²

TOP

Maintain Top EMPLOYER status



Where to play

Retail

Mass individual

Build primary relationship based on daily banking, customer assets and selective lending with top-quality and digital first approach



Affluent

Upsell from mass market, offer a digital affluent service with remote RMs⁴ focused on savings and investments



SOHO³

Acquire customers and build primary relationships through digital offer with remote support and sales



Corporate

Small Business

Acquire and build primary relationships with small companies with digital-enabled, standardised credit and daily banking proposition supported by remote RMs



Mid Corporate

Be the challenger player, significantly driving portfolio growth with focus on investment loans and leasing



Enablers



People and culture development

Ensure market leading offer for talents and continue to build a top work environment



Technology & resilience

Implementation of innovative technological solutions, incl. AI, to address customers` needs and ensuring highest cybersecurity standards



Digital & operational efficiency

Continue improving digitalisation and foster balanced organisation with proper resources allocation to sustain value creation



Compliance & risk management

Maintain sound risk management and understanding of regulatory environment, with capital generation and allocation sustaining business growth



Sustainability

Continue enacting sustainability initiatives and explore business opportunities from ESG and energy transition



1) Primary individual customers defined as customers who use Millennium Bank as their main bank and meet certain transaction, product penetration and portfolio value thresholds

2) Dividend to be paid based on 2026 profits, contingent on regulatory environment

3) SOHO (Small Office/Home Office) defined as private entrepreneurs with with annual revenues under PLN10M

4) RM is an acronym for relationship managers

We aim to double scale of corporate while maintaining retail growth



Ambition

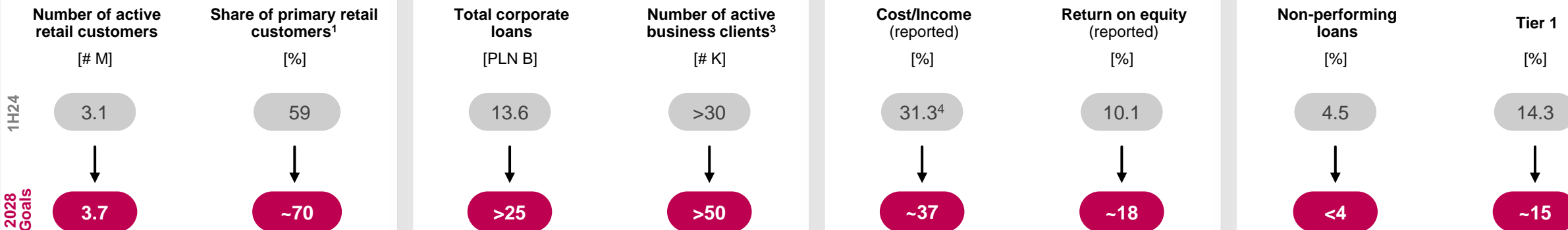
We embrace innovation, digitally delivering top-quality services, to be the primary bank for individuals and companies in Poland

Keep growth in retail banking leveraging primary relationships...

and doubling business scale in corporate banking...

to ensure sustainable profitability and generate long-term value for shareholders...

...while securing a solid risk and capital position.



Additional goals

Leader in corporate and retail NPS

Digital business model >95% digital active clients

Maintain Top Employer status

Return to dividend payments from 2027²



People and culture development



Technology & Resilience



Digital & operating efficiency



Compliance & Risk Management



Sustainability



1) Primary individual customers defined as customers (18+ y.o.) who use Millennium Bank as their main bank and meet certain transaction, product penetration and portfolio value thresholds
 2) Dividend to be paid based on 2026 profits, contingent on regulatory environment
 3) Total number of Small Business and Mid Corporate clients segment, excluding SOHO (Sole Traders) companies reported in retail segment.
 4) Excluding credit holidays, FX mortgages related costs and linear amortisation of BFG charge.

04

FX-mortgage loans

AGM presentation



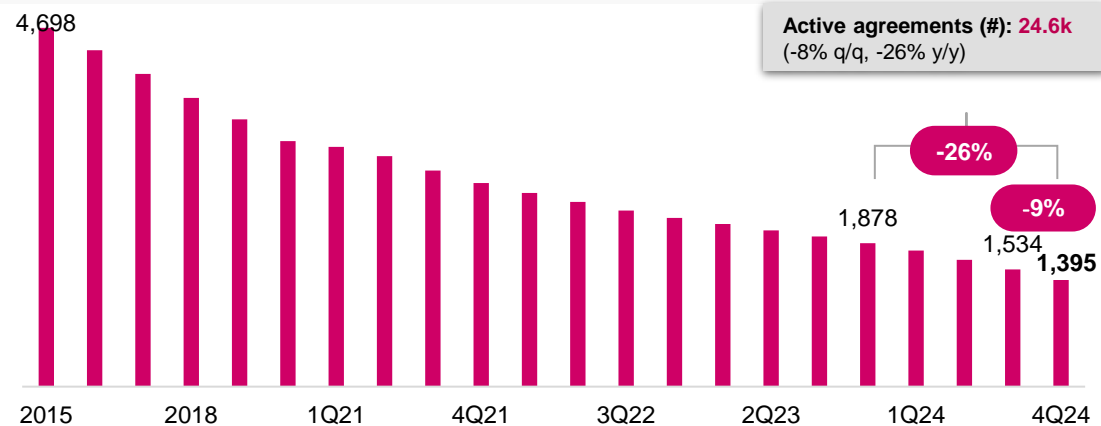
967,152
865,741
797,759
698,779
598,678
442,679
342,678
242,678
134,567

Pace of FX-mortgage portfolio's downsizing accelerated to 26% y/y.

Outstanding legal provisions at PLN7.7bn. Legal risk provisions / outstanding active gross FX-mortgages at 122%.

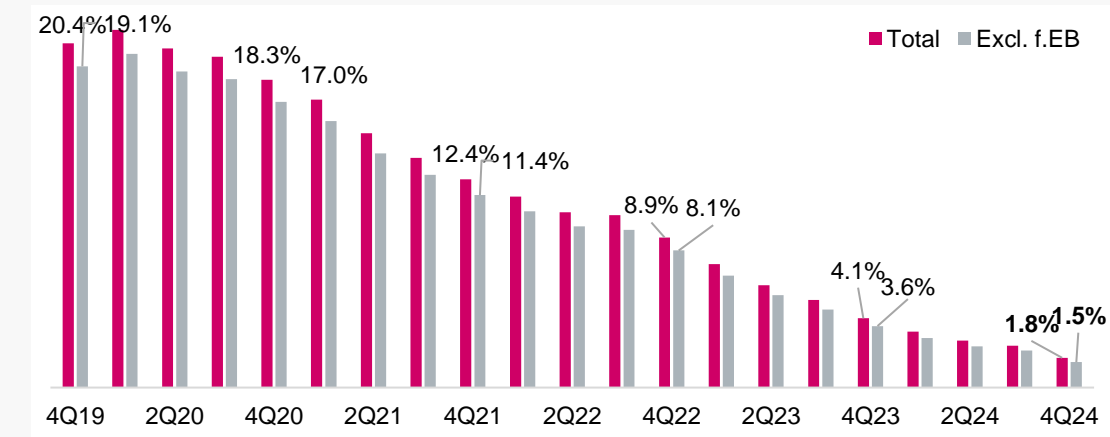
FX-mortgages* (gross, before legal risk provisions)

CHFmn



FX-mortgages as % of total consolidated gross loans

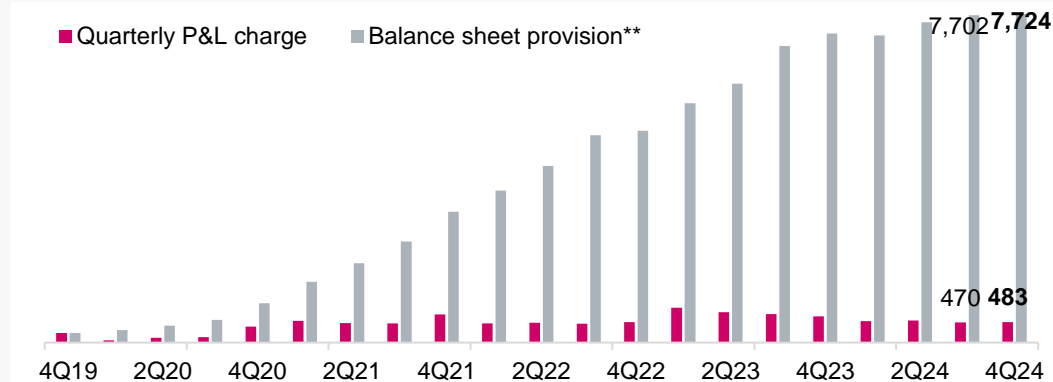
(gross less allocated legal risk provisions)



Provisions against legal risk*

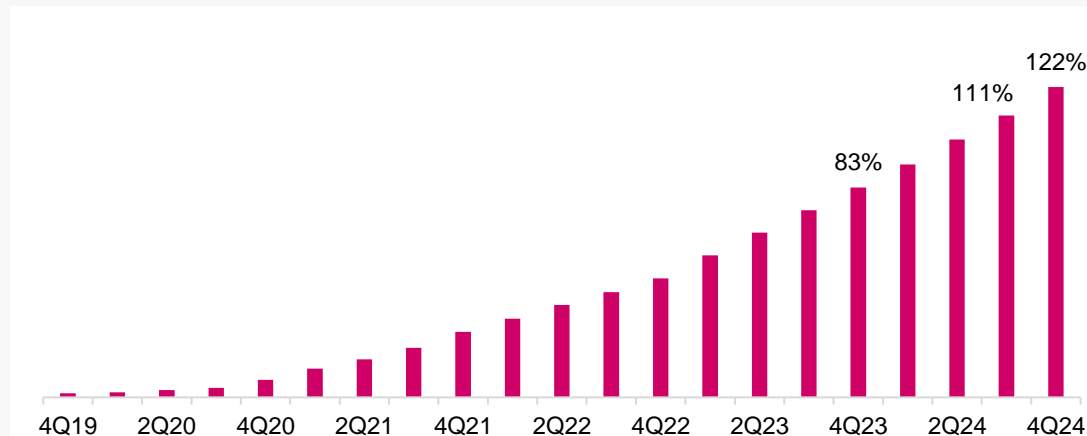
PLNmn

Outstanding provisions: PLN7.7bn
Total provision cost to date: PLN9.6bn



Outstanding provisions against legal risk

As % of active FX-mortgage book



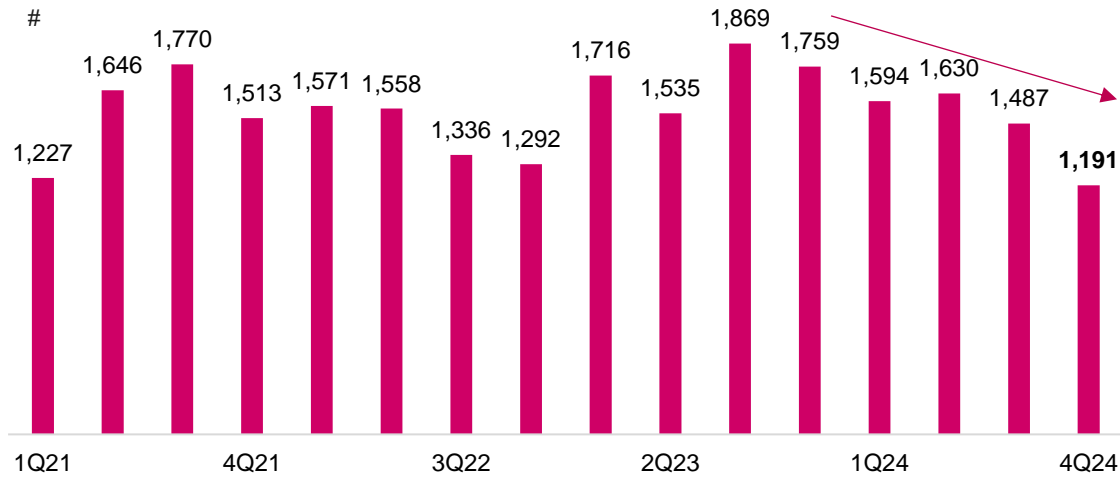
(*) Excluding f.Euro Bank; (**) actual outstanding B/S provisions may differ from the sum of P&L charges due to FX movements and utilisations among others

Lowest quarterly inflow of new claims in the last 3 years and below # of settlements.

Amicable settlements reached to date at nearly 25.9k, equivalent to 42% of active agreements at YE19.

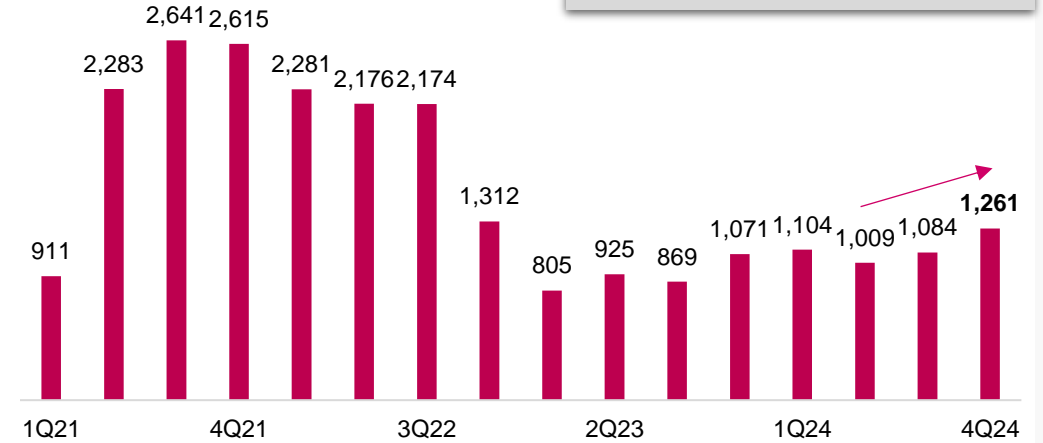
New individual indexation lawsuit cases*

21.8k individual active cases against BM (o/w repaid ~21%)



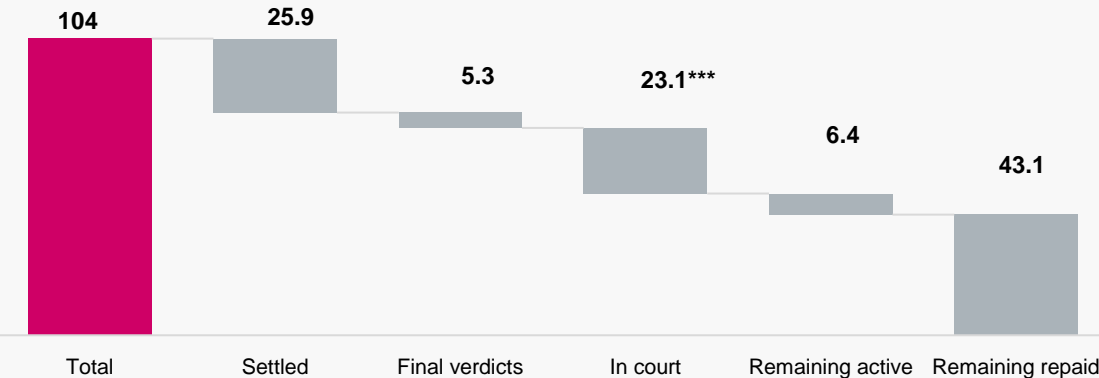
New settlements (in-court & out-of-court)

~25.9k amicable settlements to date



Portfolio of legacy FX-mortgage loans**

(loans, thousands)



Legal risk provisions – methodology and sensitivity

Main assumptions:

- **88%** of active loans assumed to end up in court
- **24%** of closed loans that have an economic justification (excluding amicably settled loans) assumed to have sued or will sue in the future
- **12%** of in-court cases will be settled amicably

Key sensitivities:

- **1,000** new court cases over the number already assumed in the methodology – **PLN188mn**
- **1%** change of costs incurred in connection with judgements or settlements – **PLN77mn**



(*) Excluding f. EB and including cases originally in class-action suit; (**) without loans originated by former Euro Bank; (***) includes cases from class-action suite

05

Dividend policy / allocation of net profit

AGM presentation



Proposal to retain 2024 net result in the Bank's own capital

Resolution no. 5

Bank Millennium's dividend policy assumes distribution of between 35% to 50% of net profit, subject to regulatory recommendations.

Bank Millennium posted a net profit in 2024. Taking into account the position of the Commission on the dividend policy of commercial banks for 2025 formulated in the letter of Polish Financial Supervision Authority of 10 January 2025, the Management Board of the Bank proposes to the General Meeting to **retain the entire net profit generated in 2024 in the Bank's own capital**. The Supervisory Board recommended to the General Meeting to adopt the Management Board's motion.

Equity, capital ratios, net result	Bank Millennium S.A. Group	Bank Millennium S.A.
Equity – on 31 December 2024 (PLN thousand)	7 771 634	7 285 413
Total Capital Ratio – on 31 December, 2024	17.24%	17.96%
Common Equity T1 ratio – on 31 December, 2024	14.82%	15.31%
2024 net result (PLN thousand)	719 209	643 103
Allocation of the net result to the Bank's own capital (PLN thousand)	-	643 103