



**Millennium**  
bank

# 2Q24/1H24 results

26 July 2024

# 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](http://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

Financial  
performance

01

Business  
development

02

Appendices

03





# 2Q24/1H24 RESULTS

Financial performance

# MAIN FINANCIAL ACHIEVEMENTS IN 1H24

1H24 with further improvement in core profitability and high efficiency. Strong asset quality and liquidity. Material net profit despite cost of credit holidays and costs related to FX-mortgage portfolio.



## CAPITAL & MREL

- **Formal conclusion of Capital Protection Plan in May**
- **Exit of Recovery Plan in June**
- **Solid levels of capital ratios** - consolidated Tier1 ratio at 14.3% and TCR at 17.1%; comfortable capital T1/TCR buffers over minimums - of 4.4ppt and 4.9ppt respectively
- Higher MREL buffers following reduction of MREL requirements in June
- Inclusion of 1H24 net profit would add c1.3ppt to T1/TCR ratios



## PROFITABILITY

- **Seventh quarter in a row with positive net result**
- 1H24 reported net profit of **PLN357mn** (stable y/y) and **PLN1,501mn** excluding extraordinary events (+6% y/y). Negative impact of credit holidays and positive tax impact (CIT & DTA) related to FX mortgage loans
- Strong NII w/o credit holidays (+5% y/y and +2% q/q) with NIM at 4.32%
- Core income up 4% y/y w/o credit holidays
- Cost-to-income ratio (adjusted) at **31.3%**
- Cost of credit risk at 50bps supported by NPL sale, NPL ratio at **4.53%**
- Banking tax returning to reported results
- **ROE reported 10%, adjusted 19%**

# KEY PROFIT & LOSS ITEMS

PLNm	1H24	1H23	Change Y/Y	2Q24	1Q24	Change Q/Q
Net interest income	2 536	2 598	-2%	1 182	1 354	-13%
o/w impact of credit holidays	-201	0	-	-201	0	-
<i>Net interest income without credit holidays</i>	2 737	2 598	5%	1 383	1 354	2%
Net commission income	390	404	-3%	191	200	-5%
<b>Total operating income</b>	<b>2 741</b>	<b>3 574</b>	<b>-23%</b>	<b>1 324</b>	<b>1 417</b>	<b>-7%</b>
<b>Total costs</b>	<b>-1 103</b>	<b>-970</b>	<b>14%</b>	<b>-505</b>	<b>-598</b>	<b>-16%</b>
<i>Costs without BFG</i>	-1 042	-910	15%	-505	-537	-6%
Loan loss provisions	-190	-172	11%	-71	-120	-41%
Other modifications	-42	-36	17%	-22	-21	4%
FX mortg. legal risk provisions	-1 124	-1 621	-31%	-575	-549	5%
Banking tax on assets	-35	0	-	-35	0	-
<b>Net profit</b>	<b>357</b>	<b>358</b>	<b>0%</b>	<b>229</b>	<b>128</b>	<b>78%</b>
<i>Net profit without extraordinary items (*)</i>	1 501	1 418	6%	834	668	25%
NIM	4.32%	4.71%	-0.39 pp	4.28%	4.36%	-0.08 pp
<b>Cost/income reported</b>	<b>40.3%</b>	<b>27.1%</b>	<b>13.1 pp</b>	<b>46.3%</b>	<b>42.2%</b>	<b>4.1 pp</b>
<b>Cost/income adjusted (*)</b>	<b>31.3%</b>	<b>29.7%</b>	<b>1.6 pp</b>	<b>28.1%</b>	<b>34.6%</b>	<b>-6.4 pp</b>
Cost of risk (bp)	50	45	5 bp	37	63	-26 bp
ROE	10.1%	12.0%	1.9 pp			
<b>ROE adjusted (*)</b>	<b>18.8%</b>	<b>22.7%</b>	<b>3.9 pp</b>			



(\*) Extraordinary items: FX-mortgage related costs (tax adjusted) and hypothetical bank tax until the end of May 2024; in 2Q24 the Bank booked the preliminary cost of credit holidays (PLN-201mn) and in 1Q23 it recognised the income from bancassurance transaction (PLN597mn pre-tax); ROE: Equity adjusted by FX mortgage related costs

# KEY BALANCE SHEET AND BUSINESS ITEMS

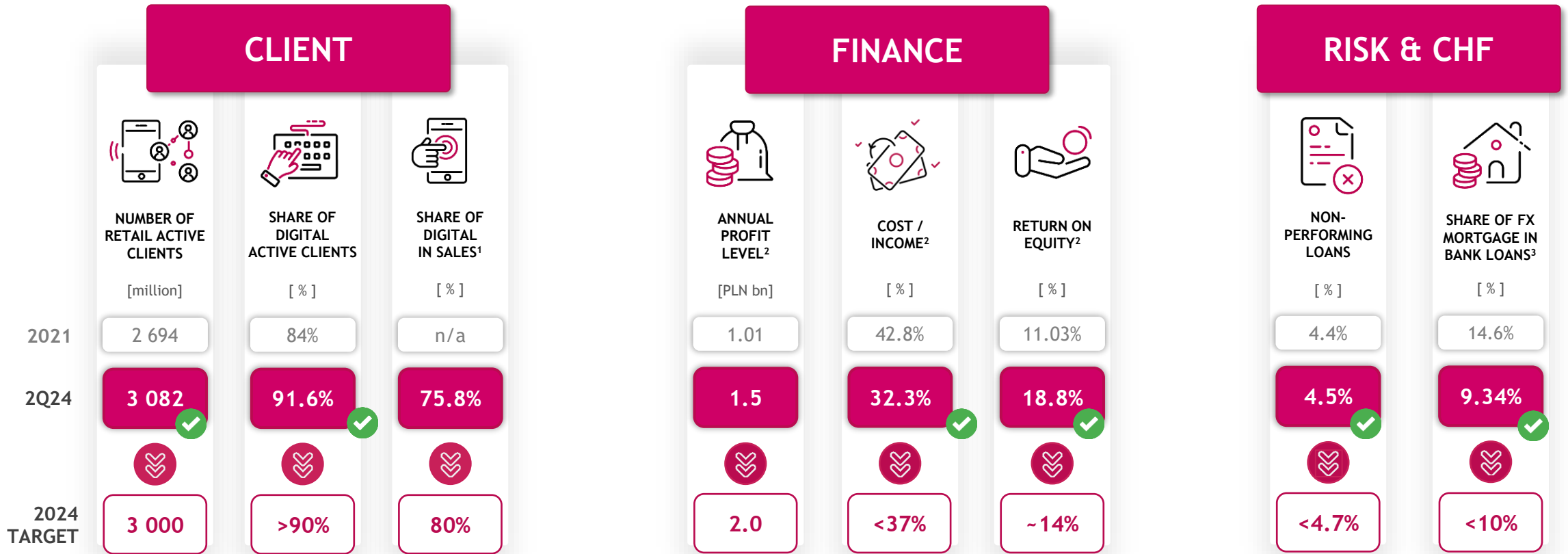
PLNm	June 24	June 23	Change Y/Y	Mar. 24	Change Q/Q
Active customers (ths)	3 083	2 949	134	3 045	38
incl. on-line and mobile	2 824	2 618	206	2 774	50
Customer Funds	126 121	107 831	17%	122 053	3%
Deposits	116 540	100 597	16%	113 184	3%
Deposits of individuals	83 429	71 714	16%	81 060	3%
Loans	74 645	74 152	1%	73 911	1%
FX Mortgage Loans excl. EB	1 793	4 055	-56%	2 138	-16%
Loans without FX mortgage	72 605	69 647	4%	71 494	2%
L/D	64.1%	73.7%	-9.7 pp	65.3%	-1.2 pp
Impaired loan ratio *	4.5%	4.8%	-0.3 pp	4.6%	-0.1 pp
Coverage ratio	74.3%	67.8%	6.5 pp	73.2%	1.1 pp
CET1 = T1	14.3%	11.7%	2.6 pp	14.9%	-0.6 pp
TCR	17.1%	14.8%	2.4 pp	18.0%	-0.9 pp



(\*) stage 3 and POCI loans share in gross total loans

# STRATEGY 22-24 | ON THE WAY THROUGH “INSPIRED BY PEOPLE” STRATEGY

Significant business growth supplemented by new digital solutions, while focusing on developing new strategy.



Advanced preparation stage of the next Bank`s strategy, that is to be announced in 4th quarter of 2024



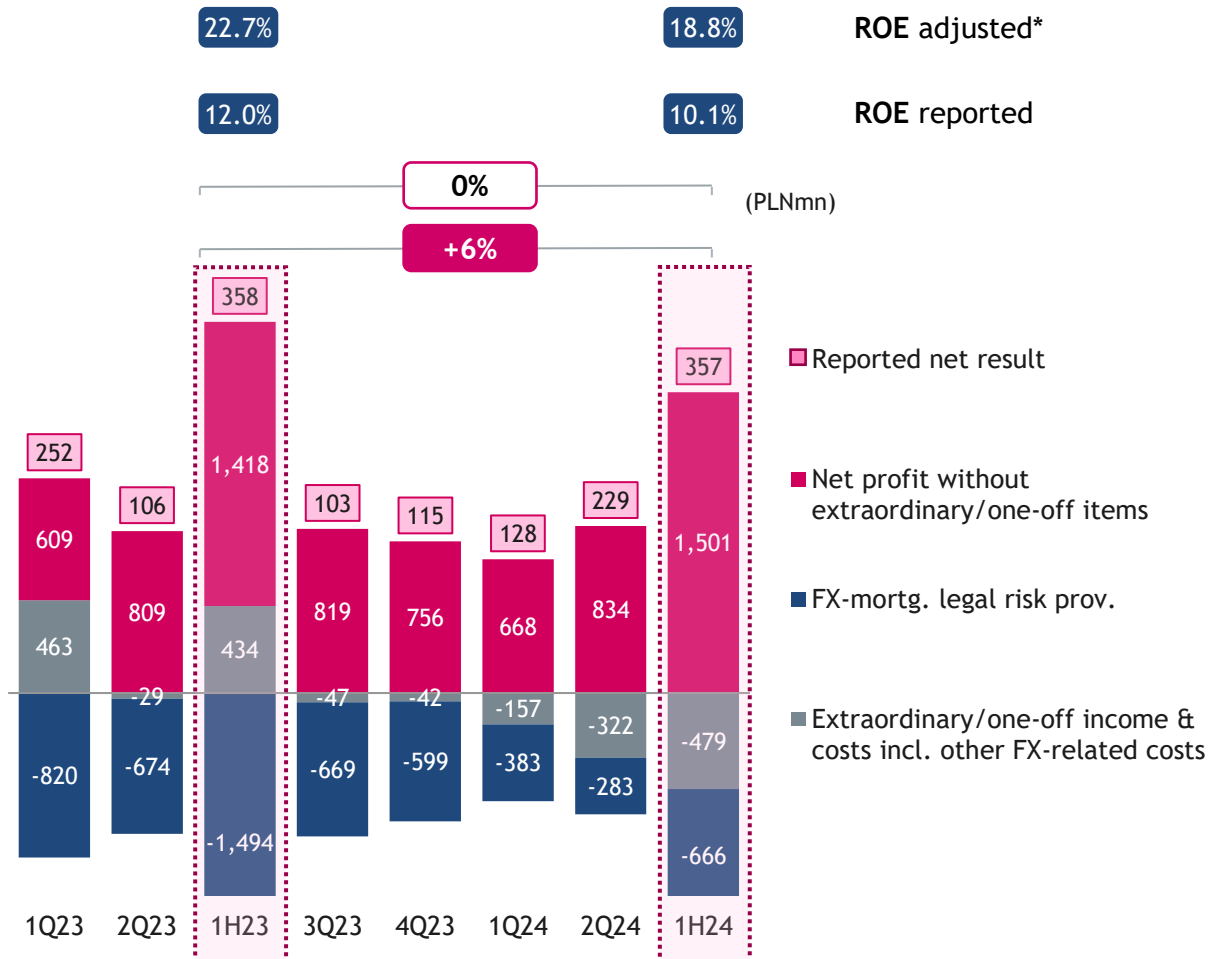
(1) calculated as an average of digital sales shares in key products volumes; (2) Excluding FX-mortgage book related costs (for 2023 excluding also financial impact of bancassurance transaction); (3) W/o deduction of allocated legal risk provisions



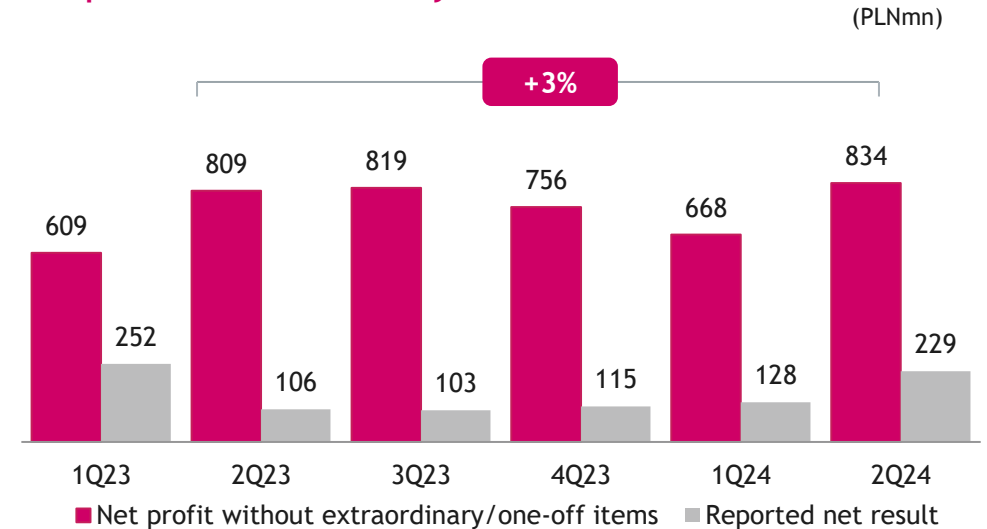
# FINANCIAL HIGHLIGHTS OF 2Q24/1H24

Material reported net profit of PLN357mn in 1H24. Adjusted net profit of PLN1.5bn. Adjusted ROE of c.19%, slightly lower as a consequence of higher equity base.

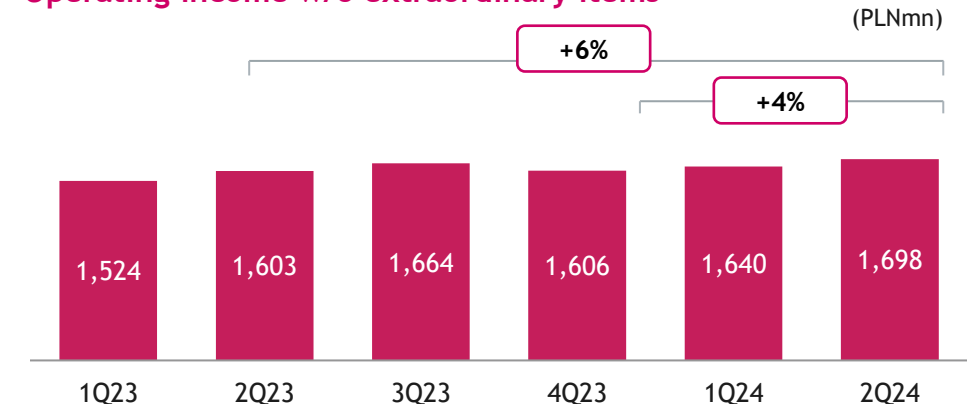
## Net profit



## Net profit w/o extraordinary\* items



## Operating income w/o extraordinary items\*\*

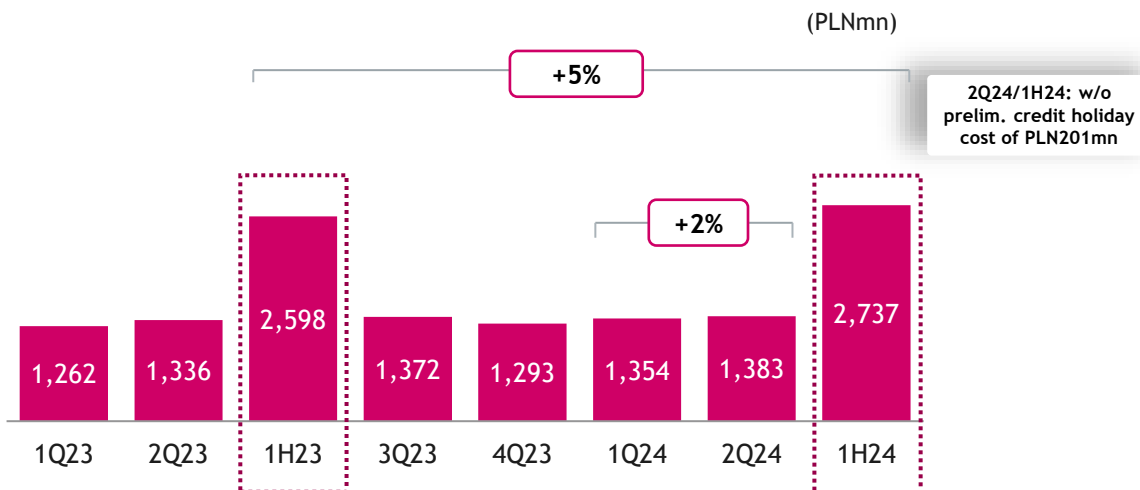


(\*) Extraordinary items: Extraordinary items: FX-mortgage related costs (tax adjusted) and hypothetical bank tax until the end of May 2024; in 2Q24 and in 4Q23 the Bank booked the cost of credit holidays (PLN-201mn and PLN-9mn respectively) and in 1Q23 and in 4Q23 it recognised the income from bancassurance transaction (PLN652mn pre-tax for the whole 2023) ; ROE: Equity adjusted by FX mortgage related costs  
(\*\*) 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

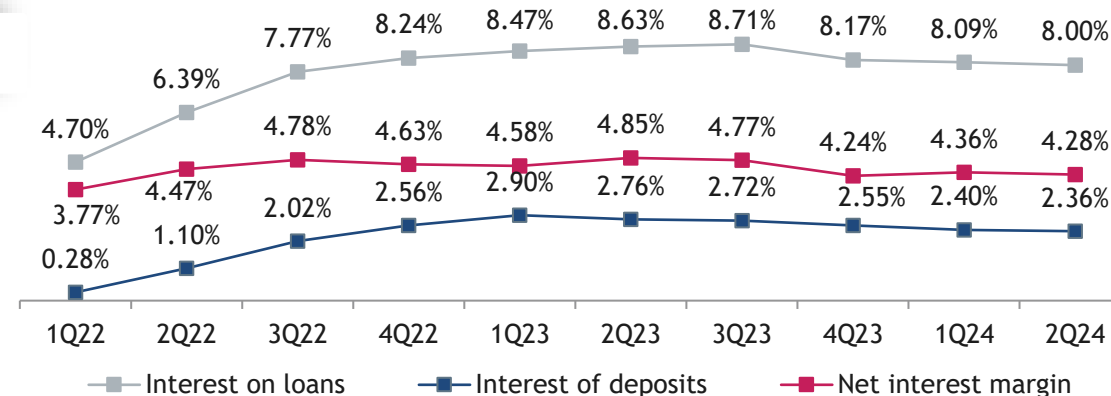
# INTEREST AND COMMISSION INCOME

NII w/o credit holidays still in uptrend (+2% q/q in 2Q24). NIM in 2Q24 at 4.28%. Preliminary credit holiday cost of PLN201mn to be reviewed in 2H24. Commissions declined 3% y/y after bancassurance transaction.

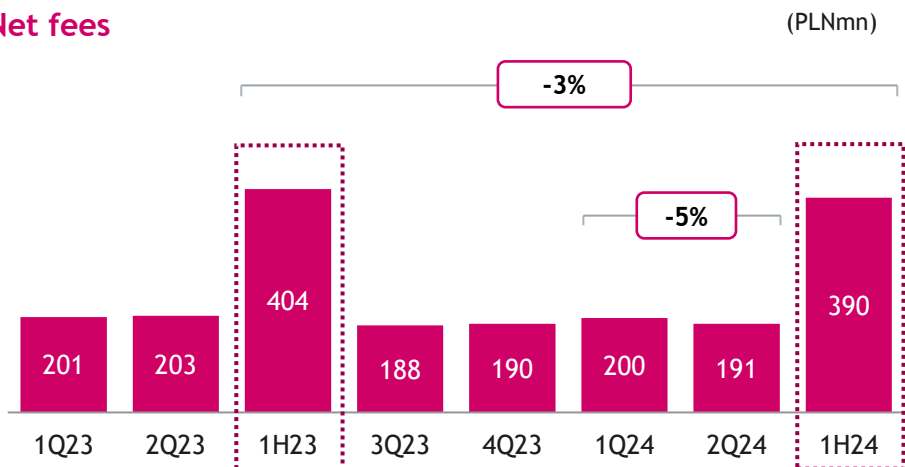
## Net interest income\*



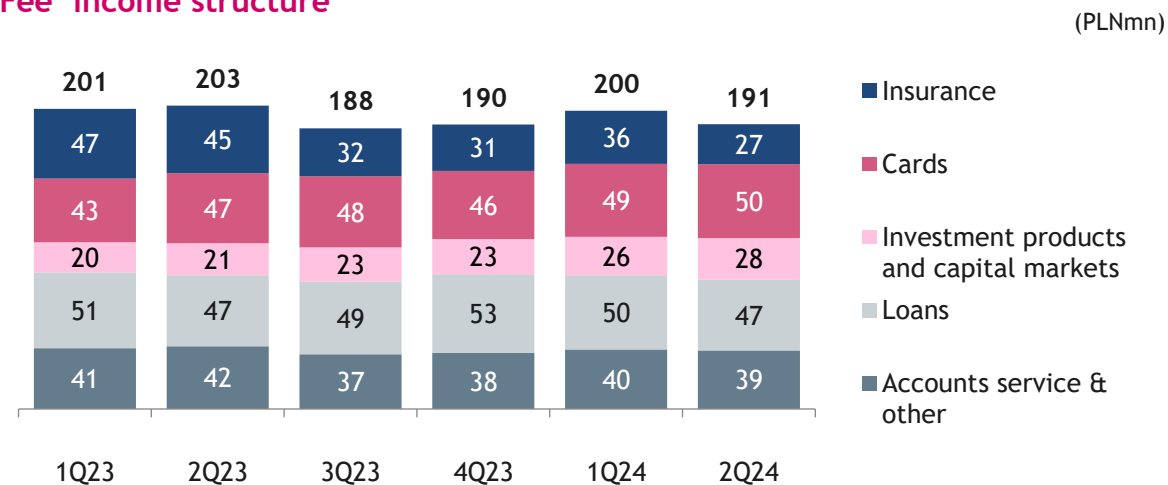
## Interest on loans\* and deposits (quarterly average)



## Net fees



## Fee income structure

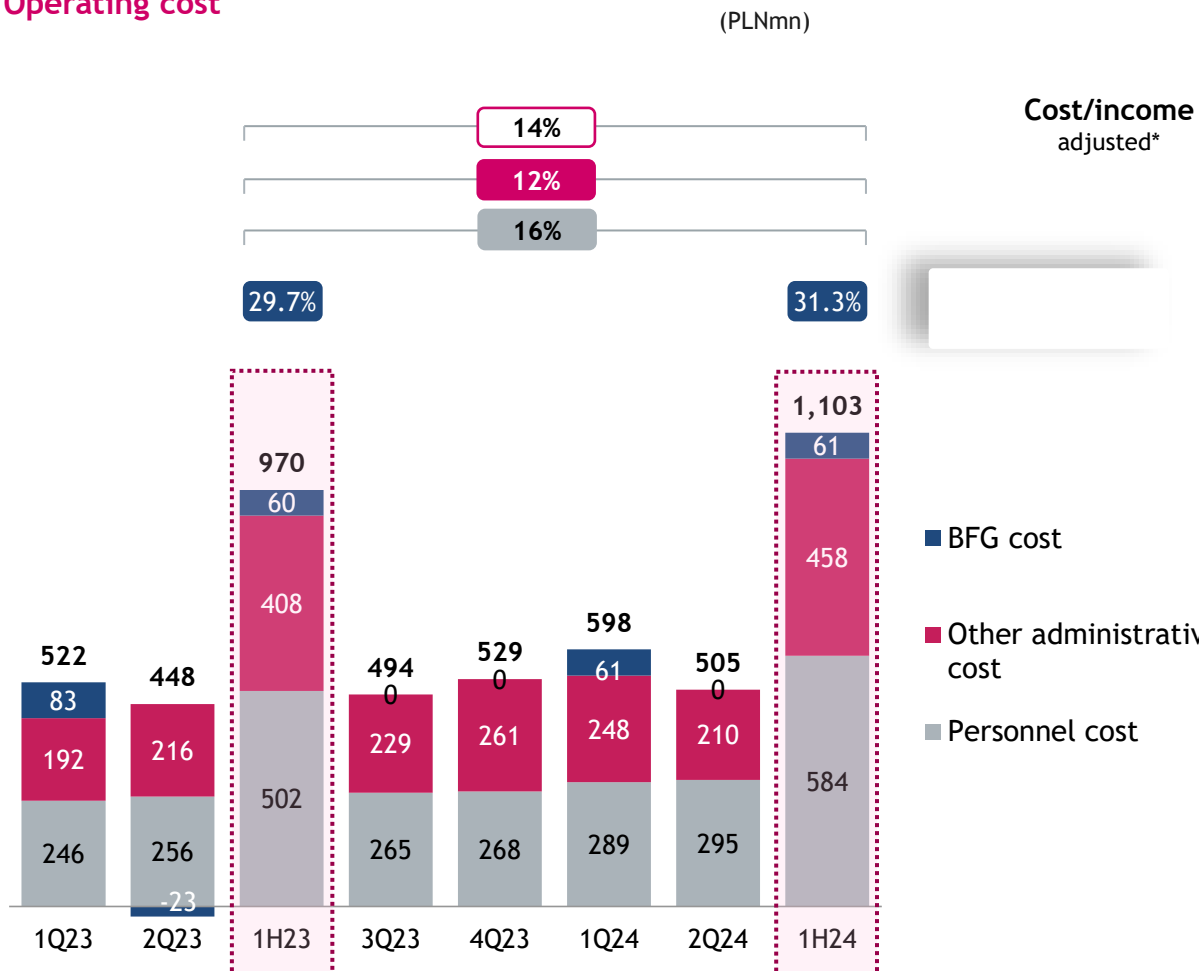


(\*) without cost of credit holidays; in 2Q24 preliminary cost of PLN201mn was booked.

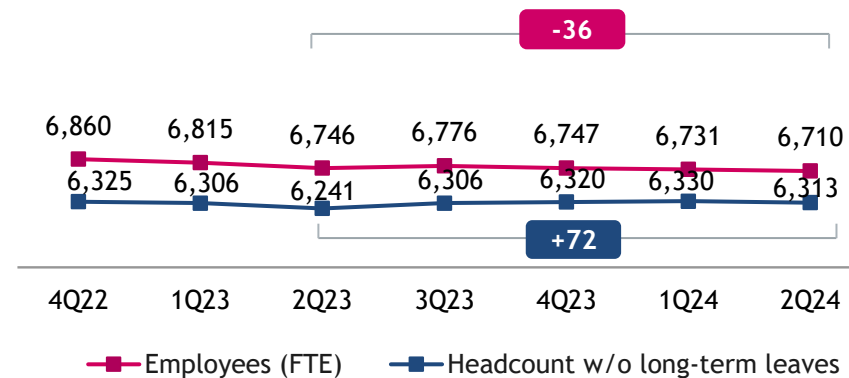
# EFFICIENCY

Operating costs grew 14% y/y. C/I at 31% at relatively stable low level (close to 30% for 2 years).

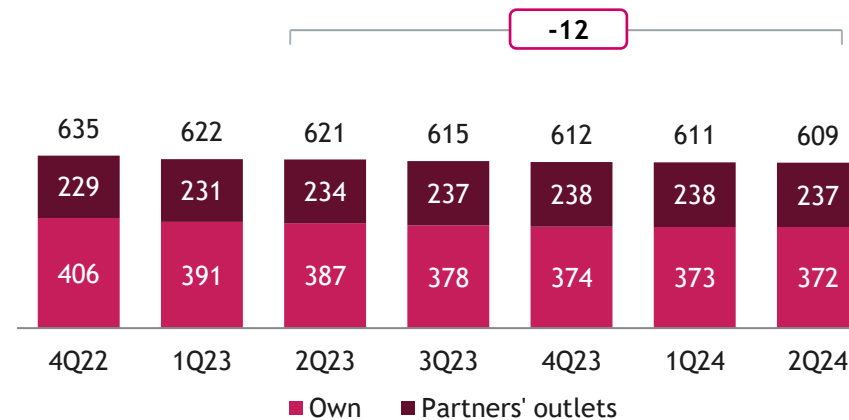
## Operating cost



## Employees



## Branches



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

# ASSET QUALITY

Strong credit quality with improving trend in consumer loans supported by positive impact of NPLs' sale.  
 Cost of credit risk lower in 2Q24; 1H24 very similar to 1H23.

## Coverage ratio

73%

74%

## Cost of risk

45

54

1

(bp)

50

52

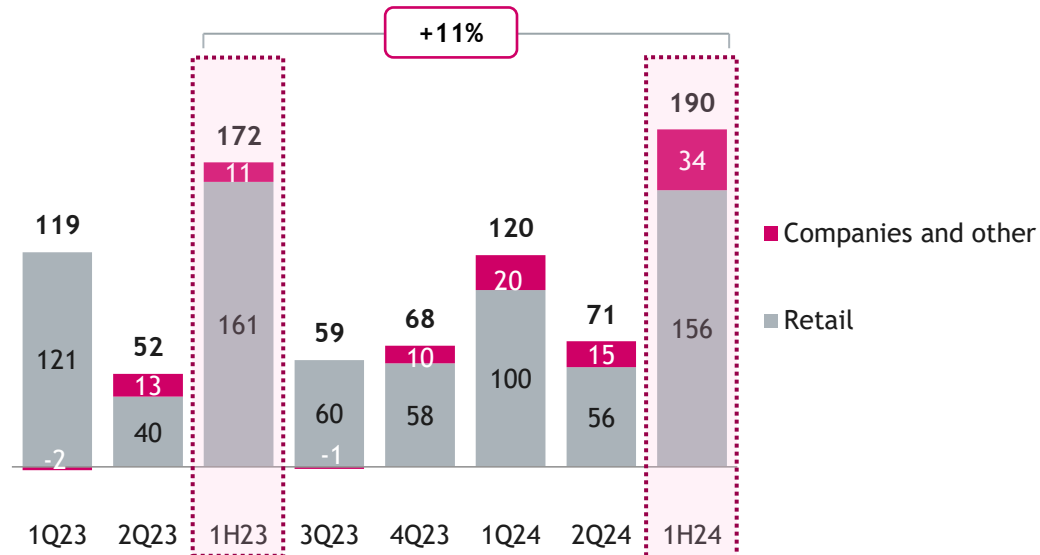
42

Total loans

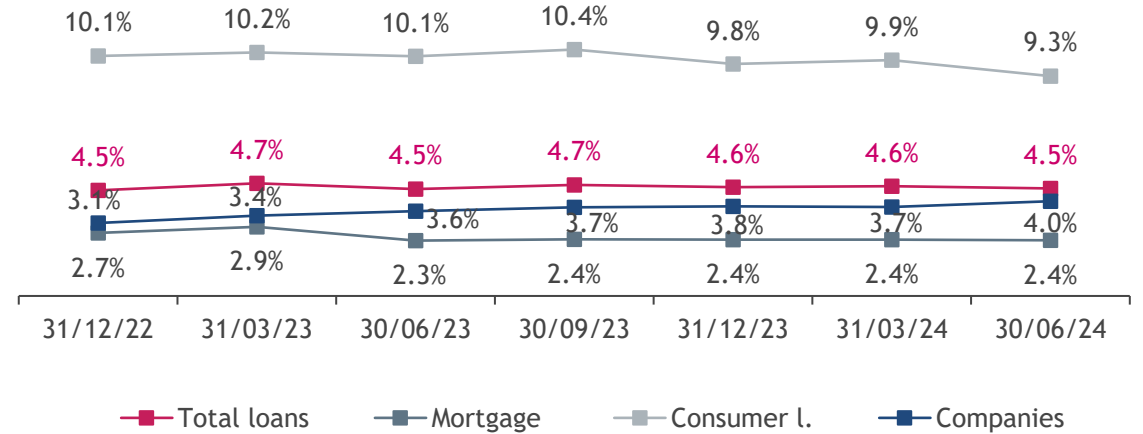
Retail

Companies

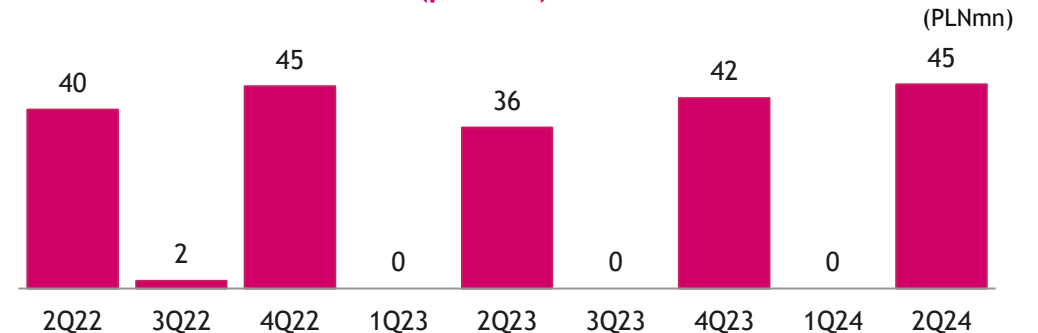
(PLNm)



## Impaired loans (IFRS9 stage 3 & POCI)



## Result from sale of NPLs (pre-tax)

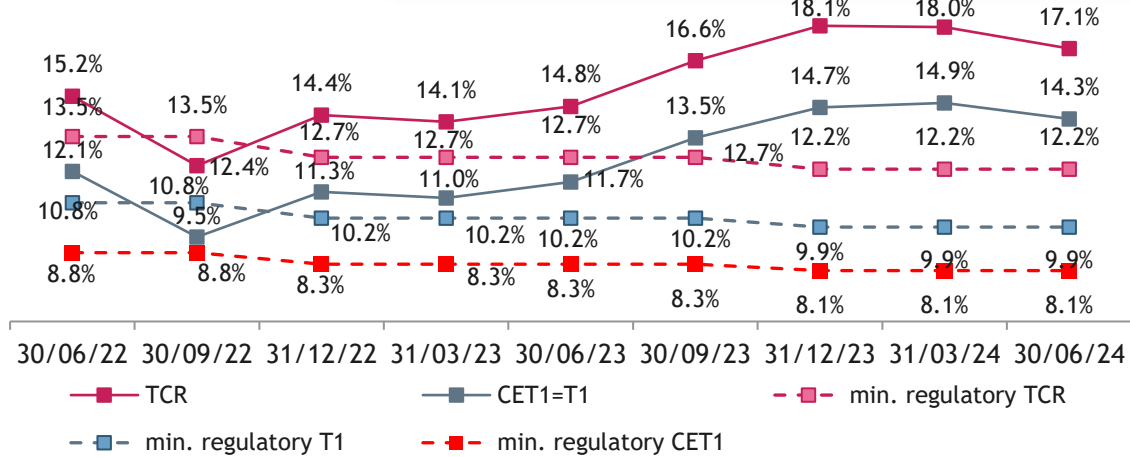


# CAPITAL RATIOS, MREL REQUIREMENTS AND LIQUIDITY

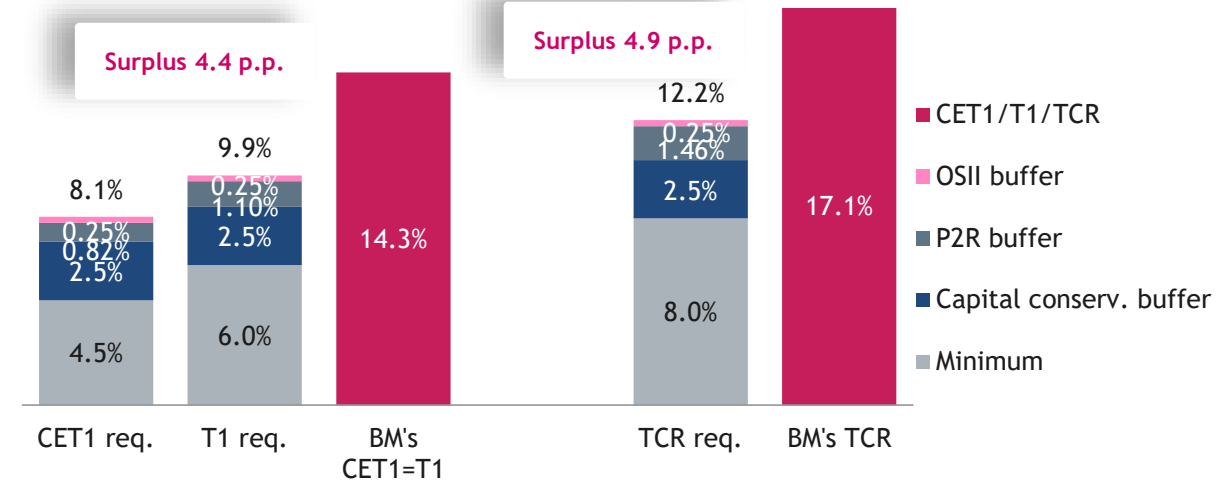
Capital adequacy ratios remain comfortably above regulatory thresholds.

## Group capital ratios

Inclusion of 1H24 net profit would add c1.3ppt to capital ratios

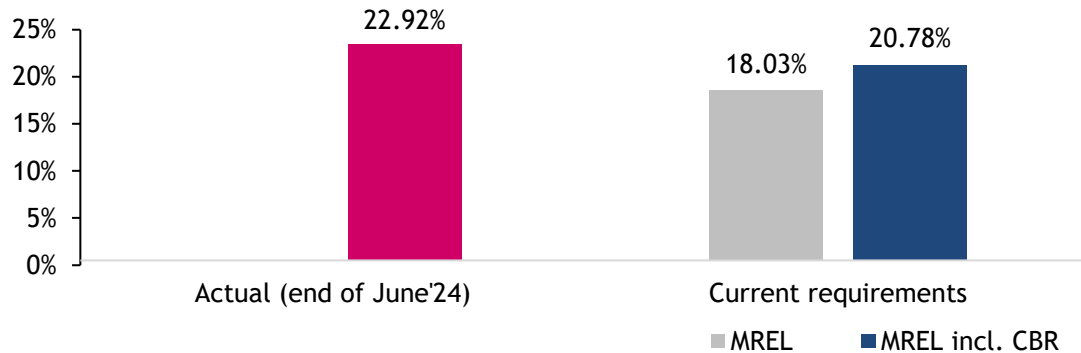


## Capital requirement vs. actual ratios as on 30 June'24 (Group)

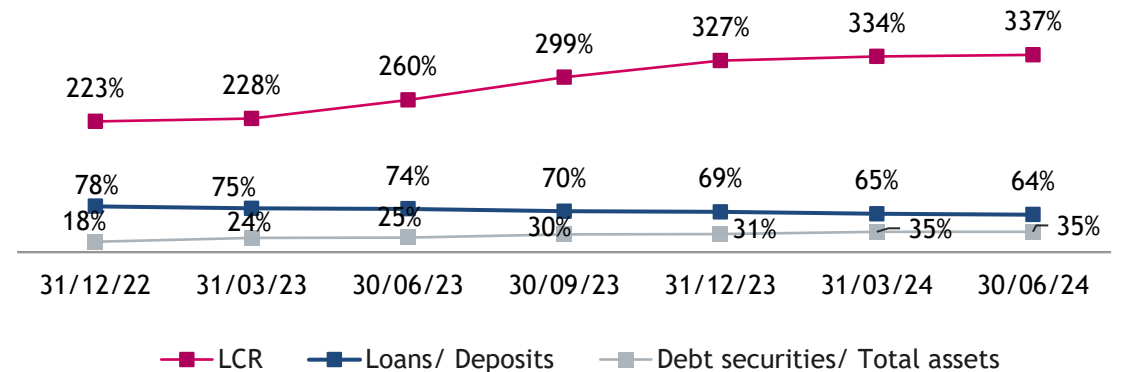


## MRELtrea

MREL surplus widened in 2Q24



## Liquidity indicators

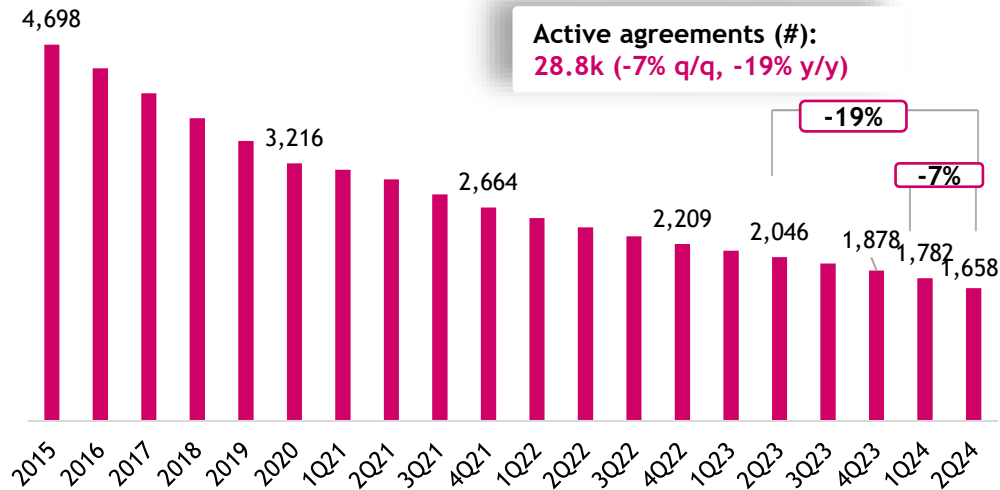


# FX-MORTGAGE PORTFOLIO (1/2)

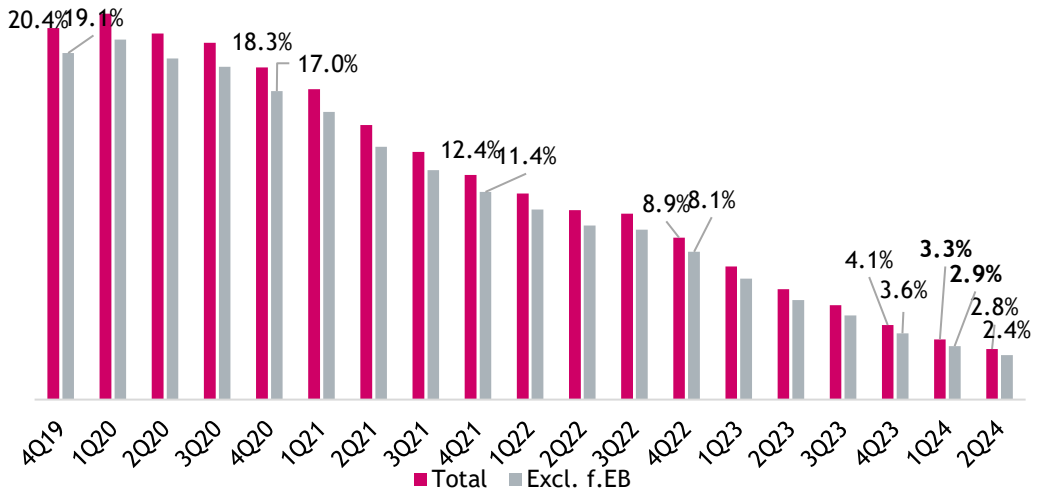
Maintained fast pace of FX-mortgage portfolio's downsizing. Number of amicable settlements to date exceeded 23.5k, equivalent to 38% of active agreements at YE19.

## FX-mortgages\* (gross w/o legal risk provisions)

(CHFmn)

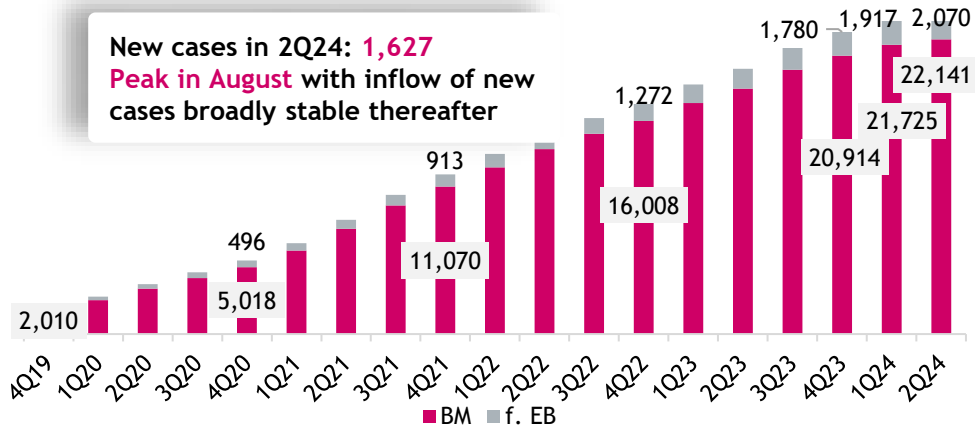


## FX-mortgages as % of total gross book (gross less alloc. legal risk provisions)



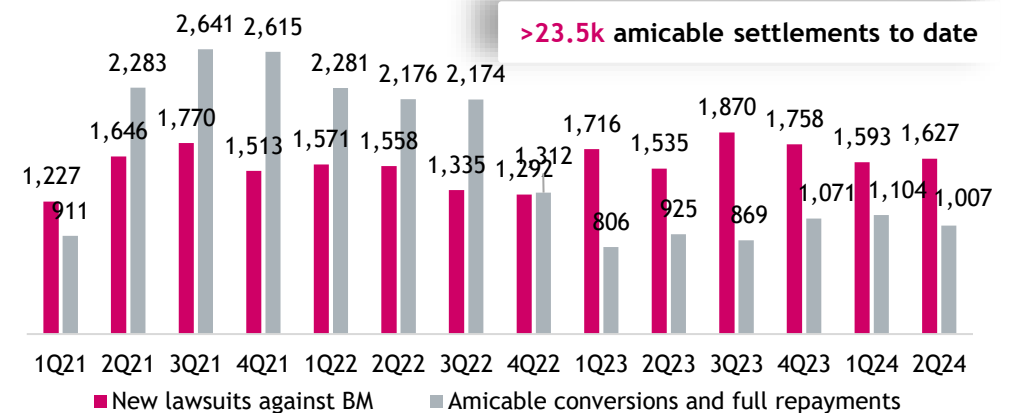
## Individual indexation lawsuit cases (active)

(#)



## New lawsuits\*\* vs. amicable settlements

(#)



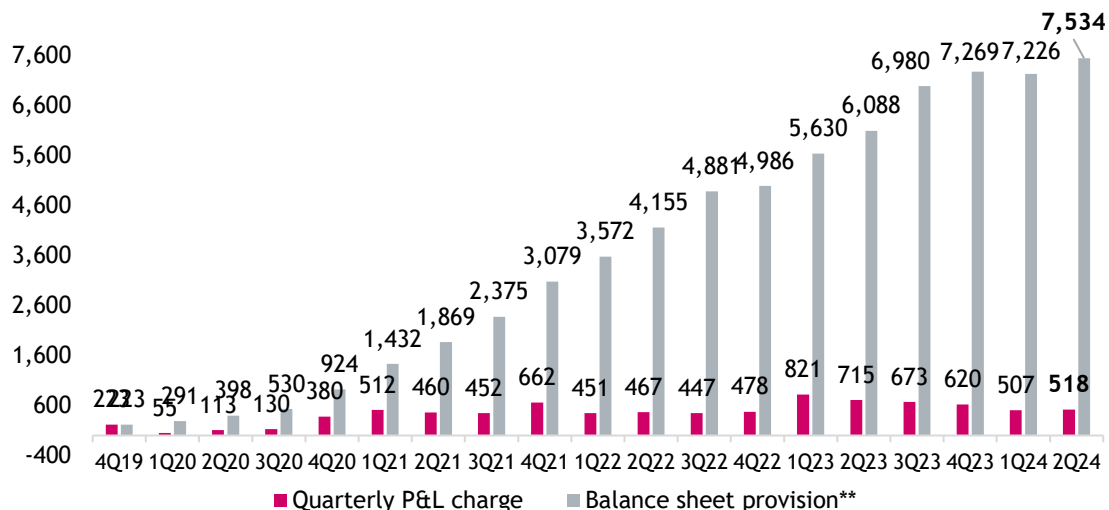
(\*) Excluding f.EB, (\*\*) includes cases originally in class-action suit

# FX-MORTGAGE PORTFOLIO (2/2)

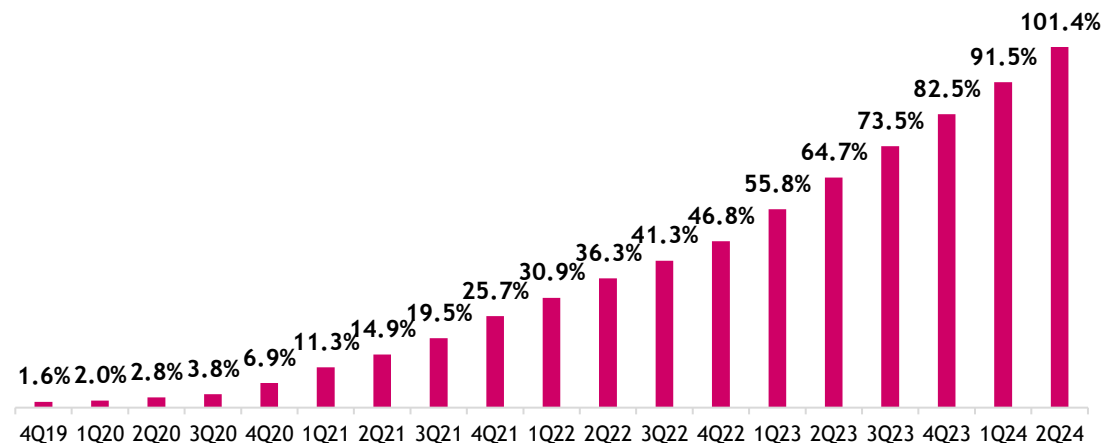
Outstanding balance of legal risk provisions at PLN7.5bn. Legal risk provisions / outstanding gross loans ratio crossed symbolic 100% mark.

## Provisions against legal risk\*

(PLNmnn)

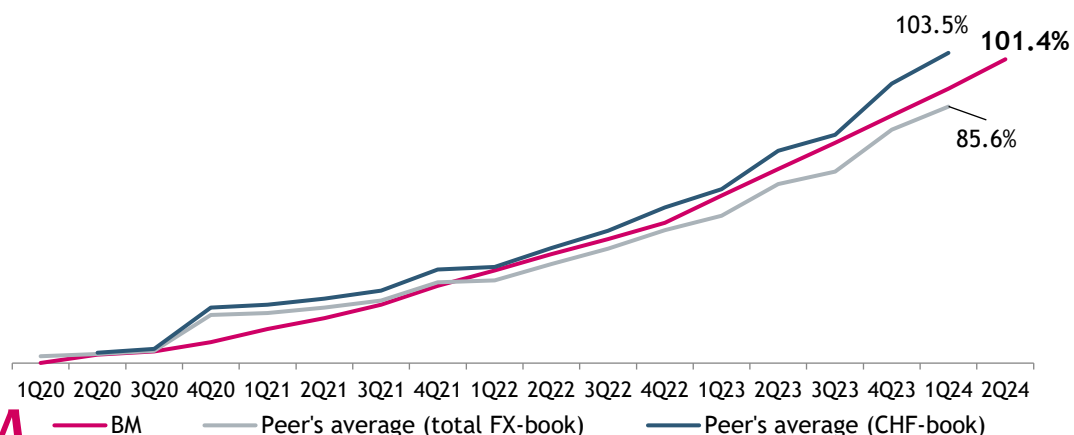


## Provisions against legal risk as % of FX-mortgage book\*



## Legal risk provisions/outstanding FX-mortgage book\*\*\*

(% of gross loans)



## Legal risk provisions - methodology and sensitivity

### Main assumptions:

- 86% of active loans assumed to end up in court
- 24% of closed loans (excluding amicably settled loans) assumed to have sued or will sue in the future
- 10% of in-court cases will be settled amicably

### Key sensitivities:

- 1,000 new court cases over the number already assumed in the methodology - PLN164mn
- 1 p.p. change of each judgement variant - PLN77mn
- 1 p.p. change of success probability of in-court settlements - PLN14mn



(\* ) Excluding f. EB, (\*\* ) actual outstanding B/S provisions may differ from the sum of P&L charges due to FX movements and utilisations among others, (\*\*\*) peers average with provisions for settlements



## 2Q24/1H24 RESULTS

Business development



# MAIN BUSINESS ACHIEVEMENTS IN 1H24

High growth of deposits. Growing customer acquisition, retail lending and leasing contracts.



## BUSINESS VOLUMES EVOLUTION

- Total deposits portfolio grew 16% y/y, retail deposits up 16% y/y
- Consumer loans grew 8% y/y (gross)
- PLN mortgage loans grew 6% y/y (gross)
- Growth of investment funds portfolio by 32% y/y
- Commercial liquidity surplus PLN41.9bn
- Loans to deposit ratio at 64%



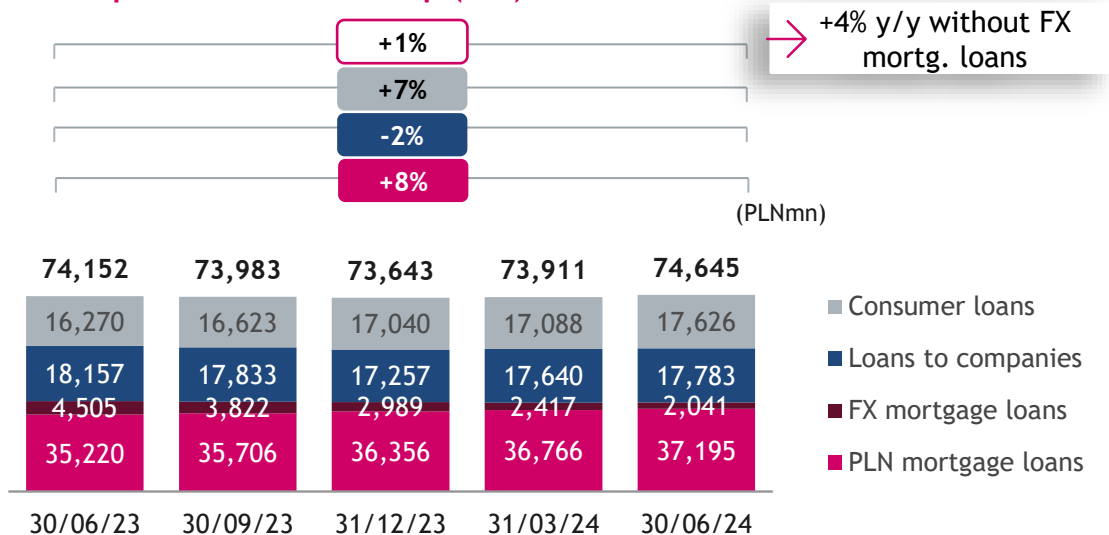
## MAIN COMMERCIAL HIGHLIGHTS

- Active retail clients of 3,083 th. with 92% digitally active
- YTD sales:
  - ✓ Cash loans PLN3.5bn (+10% y/y)
  - ✓ Mortgage loans PLN3.3bn (+73% y/y)
  - ✓ Leasing PLN1.9bn (+20% y/y)

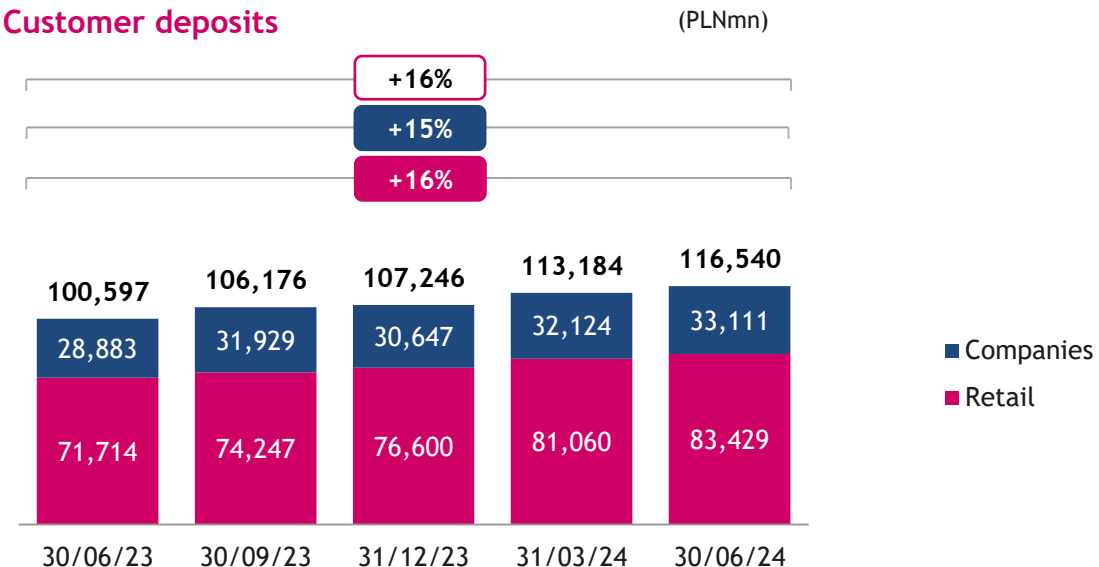
# LOANS AND CUSTOMER FUNDS

Growth of consumer and mortgage loans. Companies' portfolio grew 2% in 2Q24, continuing to rebound. Robust growth in deposits (+16% y/y). Investment products strongly up (32% y/y).

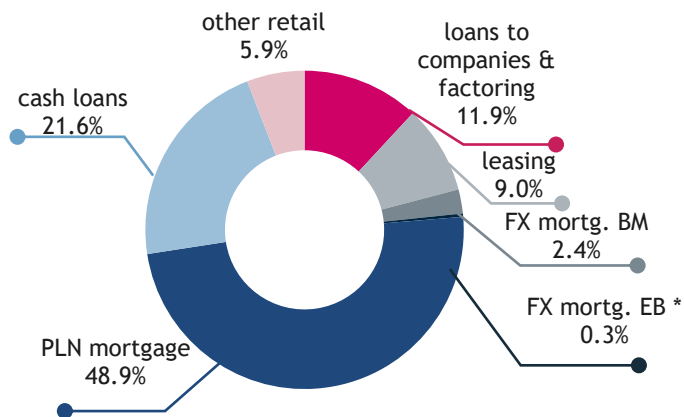
## Loan portfolio of the Group (net)



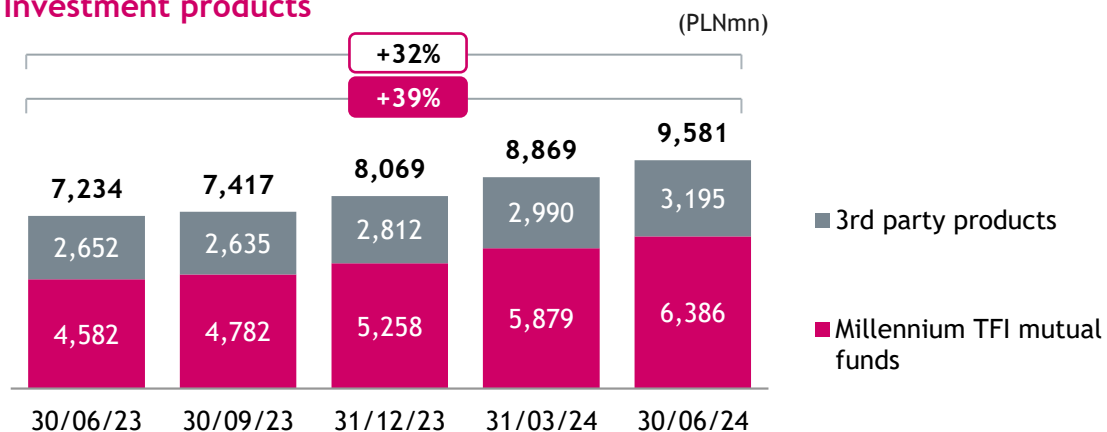
## Customer deposits



## Structure of loan portfolio (gross)\*\*



## Investment products



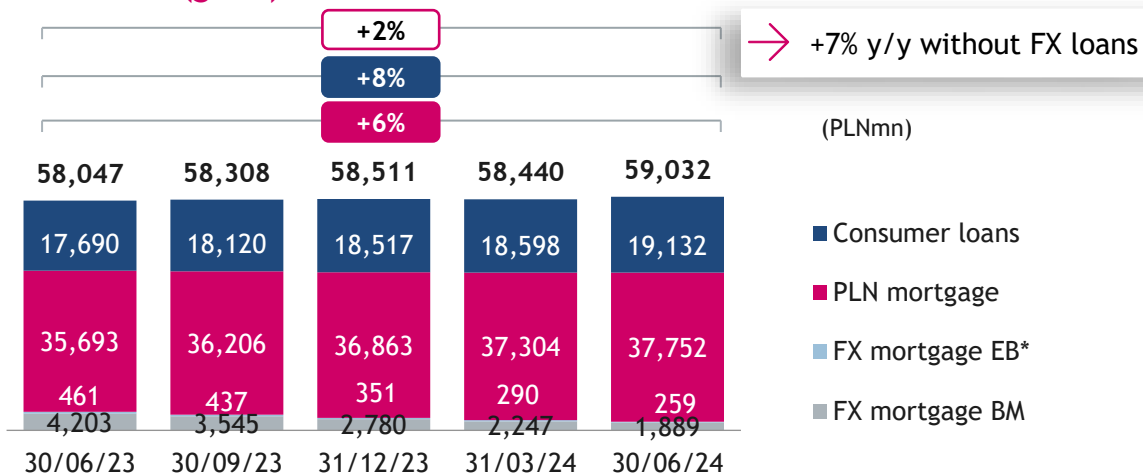
(\*) Covered by SocGen guarantee and indemnity

(\*\*) Net of legal risk provisions

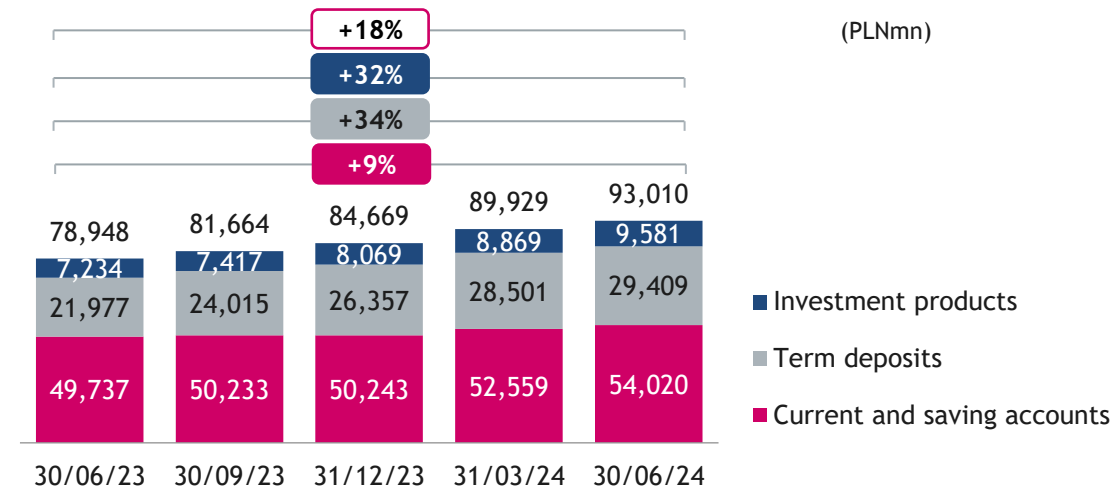
# RETAIL BUSINESS - LOANS AND CUSTOMER FUNDS

Growing consumer and PLN mortgage loans. High growth of deposits (+16% y/y).

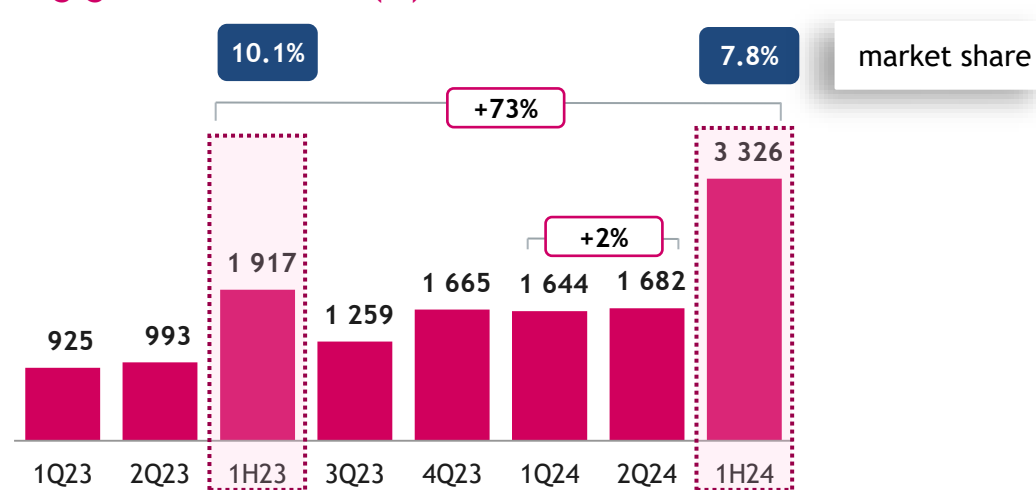
## Retail loans (gross)



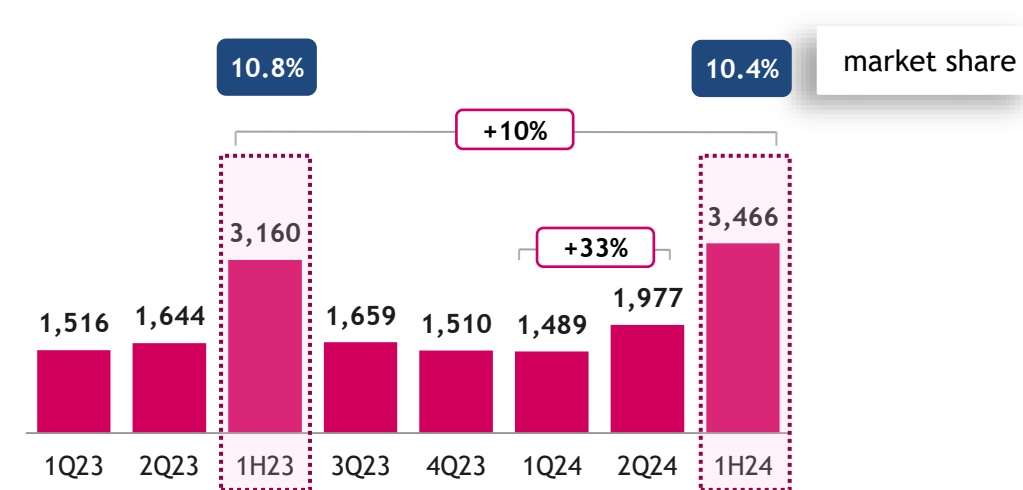
## Retail customer funds



## Mortgage loans new sales (\*\*)



## Cash loans new sales



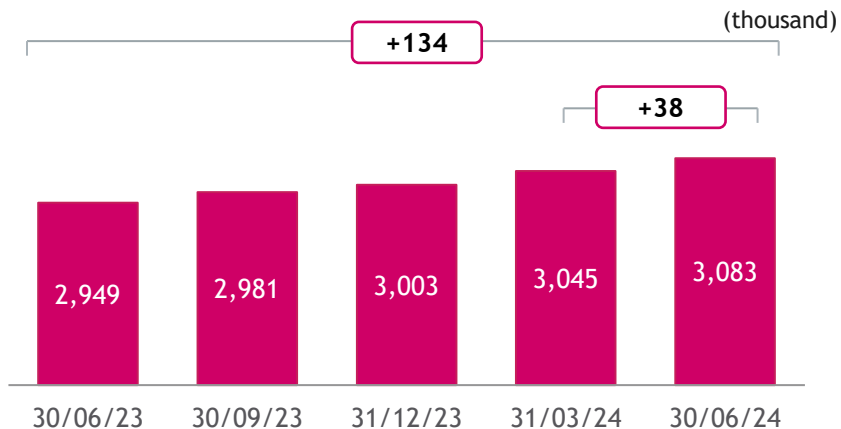
(\*) Loans originated by f. Euro Bank - covered by 100% indemnity and 80% guarantee agreement with SocGen

(\*\*) Disbursements; market share as % in value of new agreements

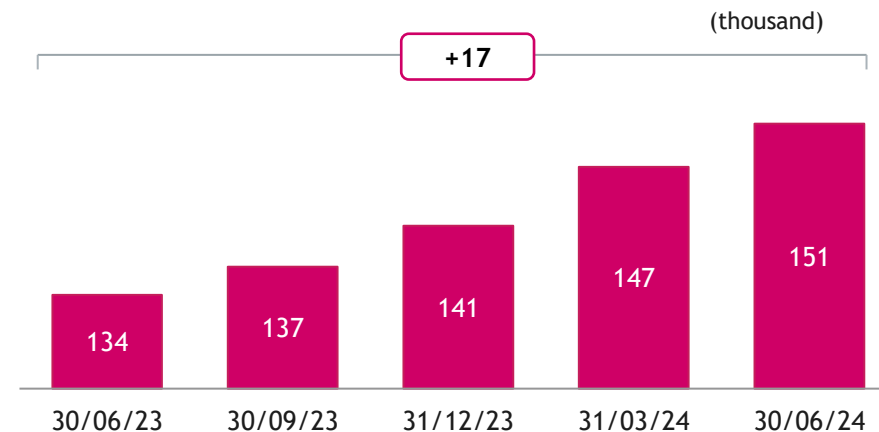
# RETAIL BANKING - NUMBER OF CUSTOMERS AND ACCOUNTS

Considerable growth of new customers, cards and accounts. Further growth beyond the YE24 target of 3 milion active clients.

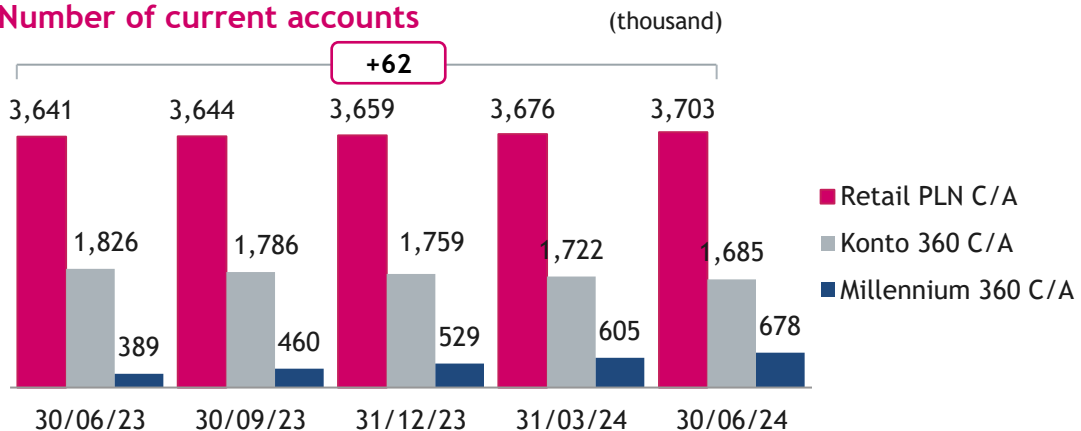
Active retail clients



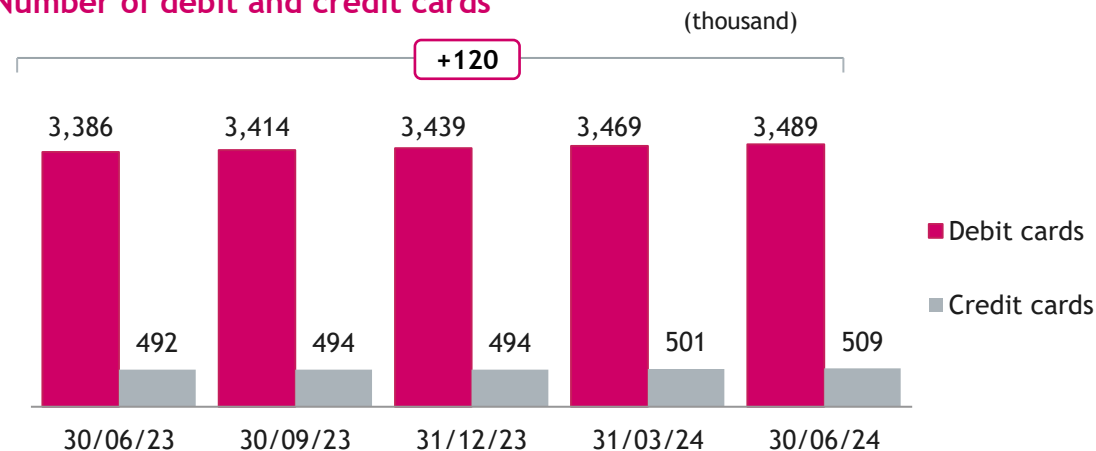
Active micro-business clients



Number of current accounts



Number of debit and credit cards



# MOBILE APP AND DIGITAL USERS

We continue our mobile-first approach, placing the app in the centre of our actions



**2.8mn**

Active digital users\*  
(+8% y/y)



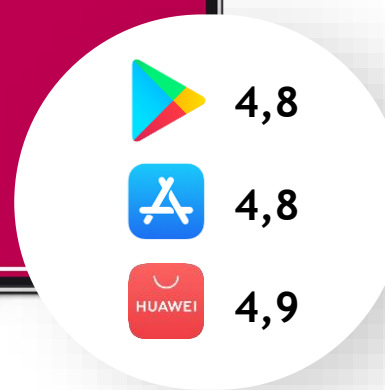
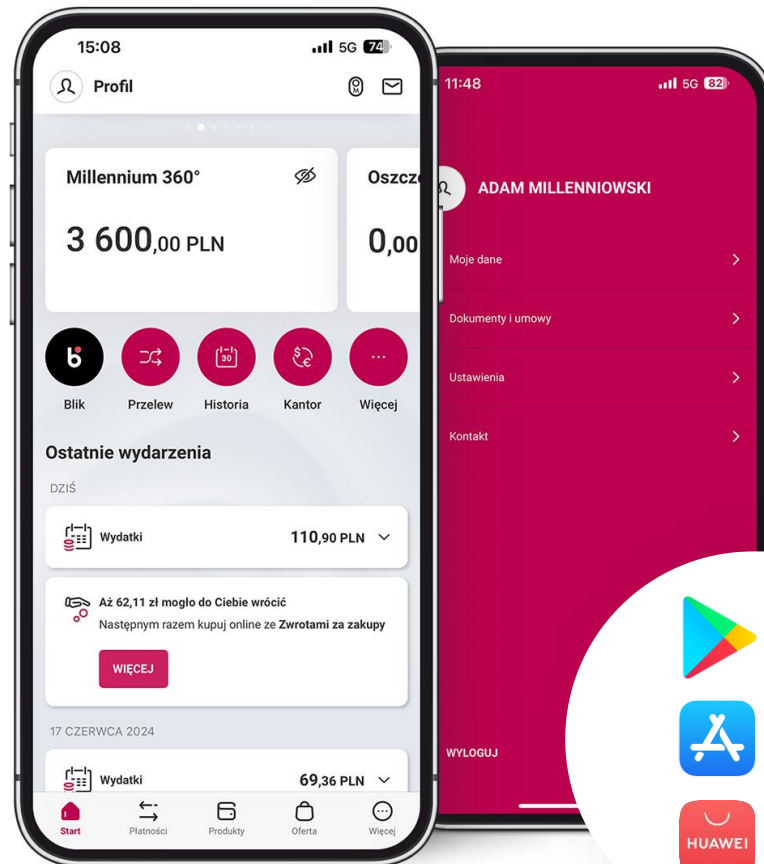
**2.6mn**

Mobile users\*\*  
(+10% y/y)



**1.9mn**

BLIK users in 2Q24  
(+16% y/y)



## NEW DESIGN OF THE APP

From June, the first customers can already use the refreshed mobile app. The way of navigating the app and the product pages have changed.

**In line with our customers' expectations, we have opted for evolution instead of revolution.**

We are adjusting elements of the app to the latest market trends and standards. Changes are gradually made available to new users. We have carried out research with users to ensure that the changes we propose are in line with their needs.

# DIGITAL SALES, PAYMENTS & VAS

We are building a set of online products and services that make everyday life easier



## CASH LOANS

83%

Digital share in cash loan sales in 2Q24



## ACCOUNTS

45%

Digital share in current account acquisition in 2Q24



## TERM DEPOSITS

95%

Digital share in term deposit sales in 2Q24



## JUNIOR ACCOUNTS

58%

Digital share in junior account acquisition in 2Q24

## WNIOSKI URZĘDOWE



- ✓ **DOBRY START 300+**. The new benefit period started on 1 July. In the first week of July alone, customers submitted almost **100,000 applications** for funding of the school starter kit.
- ✓ **RODZINA 800+**. From February, customers have submitted **370,000 applications** for family benefit payments for more than half a million children via digital channels - giving Bank Millennium **3rd place** in the number of applications submitted among banks.
- ✓ **SUPPORT BENEFIT FOR PERSONS WITH DISABILITIES**. Bank Millennium **ranked 3rd** in the number of applications submitted among banks since the application was made available.

## BLIK PAYMENTS

- +35%** (y/y) BLIK transactions: e-commerce, P2P, contactless, BNPL
- +50%** (y/y) P2P BLIK transfer to mobile
- +42%** (y/y) BLIK contactless transactions
- +44%** (y/y) BLIK contactless users

# WHAT'S NEW IN DIGITAL

We are constantly improving digital services and exploring new areas such as BNPL and currency exchange

## CURRENCY EXCHANGE

At the beginning of the summer holidays, we launched currency exchange on the mobile app.

In the future, the following currencies can be exchanged: euros (EUR), dollars (USD), British pounds (GBP) and Swiss francs (CHF).

The customer can also **connect a currency account in the app to any debit card**. This allows them to pay in currency without additional currency conversion costs.

## BLIK PAY LATER

The bank's customers can now use the BLIK Pay Later service, which works on the BNPL (buy now, pay later) model and allows them to defer payment for purchased goods for 30 days.

The customer can easily check and repay the credit on the banking app. The service is based on the popular BLIK code payment model.

**Bank Millennium was the first in the market to get involved in the project.** After the pilot phase, which we started several months ago, we made the service available to customers in May.

## SECURITY

We are implementing solutions to counter the effects of identity theft and phishing:

**PESEL number verification** in sales processes  
**Additional authorisation** when logging into online banking

## NEW TRANSACTION HISTORY

- The search engine allows to search the history of all accounts and cards in one place
- The customer can easily **repeat the transfer, send money back, or settle a bill** with friends directly from the shortcuts in the transaction details

**7.76mn**  
views of the  
new  
transaction  
history on  
mobile

**1.48mn**  
mobile users have  
already used a new  
transaction history

# GOODIE - BANK'S SMARTSHOPPING PLATFORM

Continued growth in goodie cashback, activation and acquisition promotions



1H24:



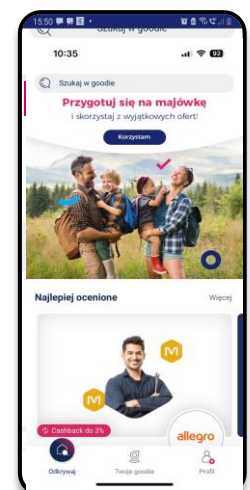
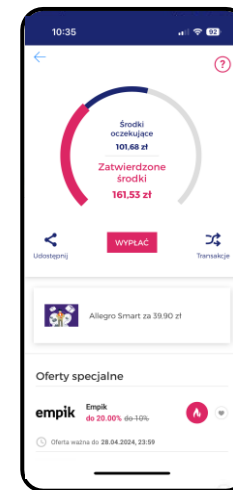
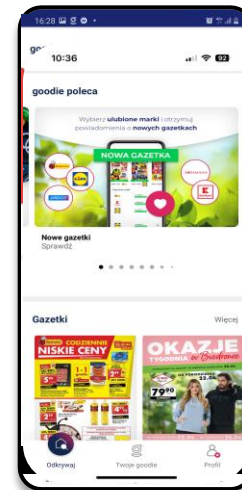
**54% increase y/y**  
in the number of active cashback users



**66% increase y/y**  
in the number of transactions made via goodie cashback



**Almost PLN3bn** spent in goodie cashback  
for purchases by cashback users from the beginning.

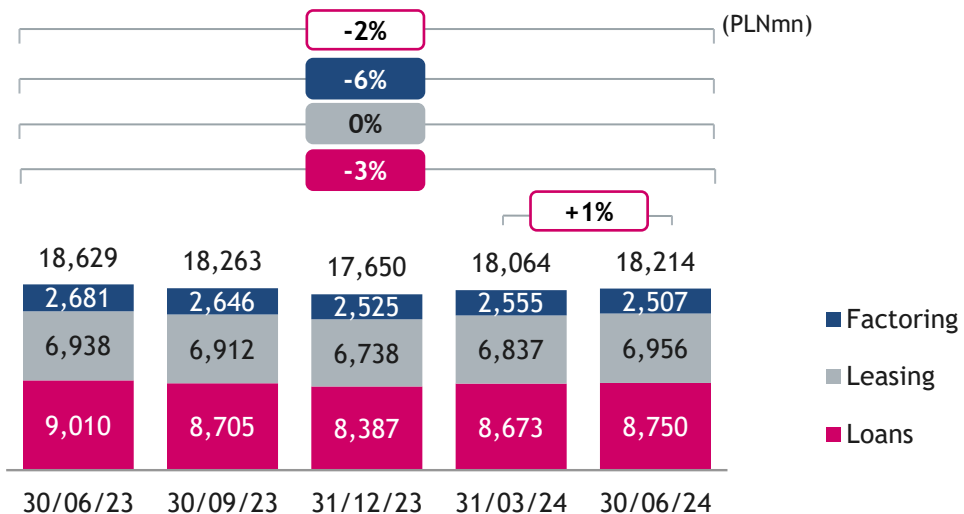




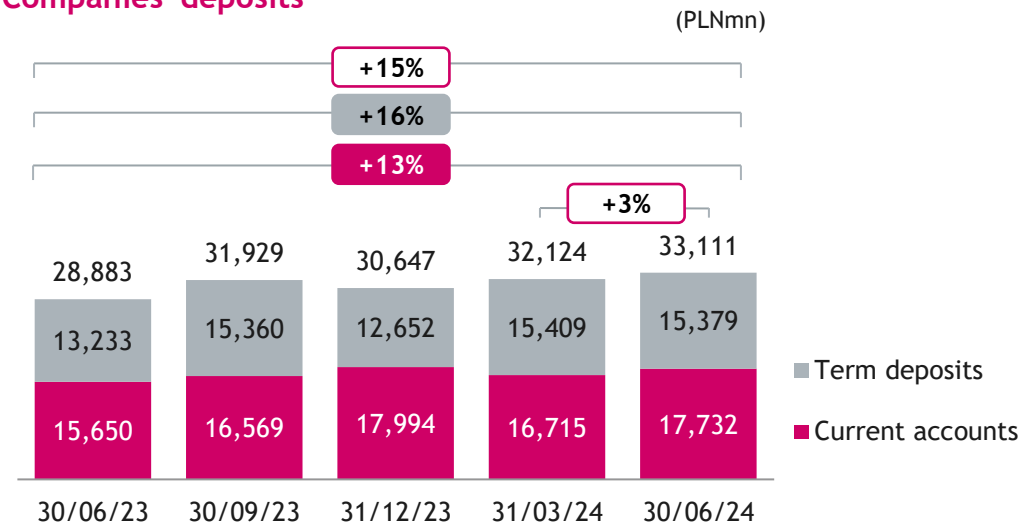
# COMPANIES BUSINESS - DEPOSITS AND LOANS

Corporate loan portfolio already showed some rebound in quarterly trend. Corporate deposits grew 15% y/y. Stronger focus on SME clients.

## Loans to companies (gross)



## Companies' deposits



- Loan portfolio continued growing in 2Q24, although it was still lower by 2% y/y due to past RWA constrains.
- Strong growth of companies' deposits +15% y/y. Maintained balanced mix with higher share of current deposits.
- Gradual improvement in transaction activity. Higher volumes of treasury transactions. FX transactions up 43% y/y, domestic transfers up 5% y/y.

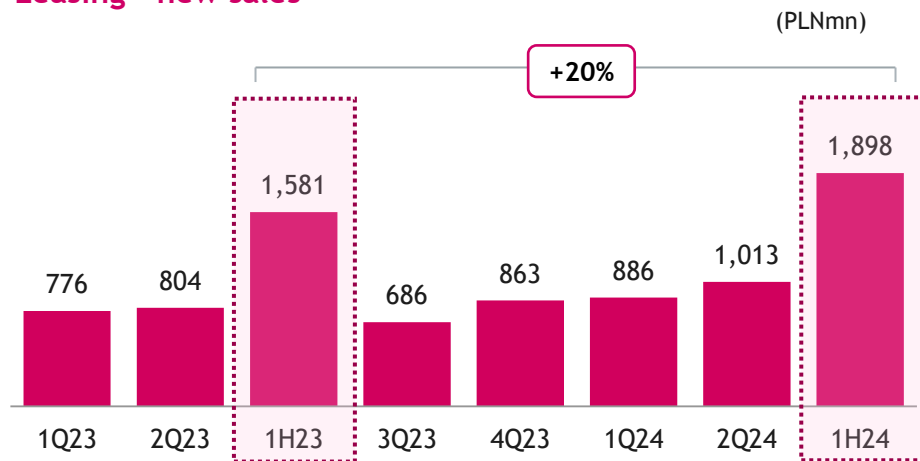
### NEW PRODUCTS AND ACTIVITIES

- Implementation of 2 new FENG guarantees: Biznesmax Plus and Ecomax in partnership with BGK devoted to secure innovative and green projects. For SMEs customers they also offer subsidy. These facilities are mostly devoted to secure capital expenditures projects.
- From 1 January, the Bank's offer for the sale of new loans includes new terms for de minimis guarantees (from BGK): up to 60% of the loan amount can be secured with de minimis guarantee and the maximum amount of a guarantee is PLN5 million.
- Launch of new product for Developers - Open and Closed Escrow Account necessary to continue development project started before July 1, 2022.

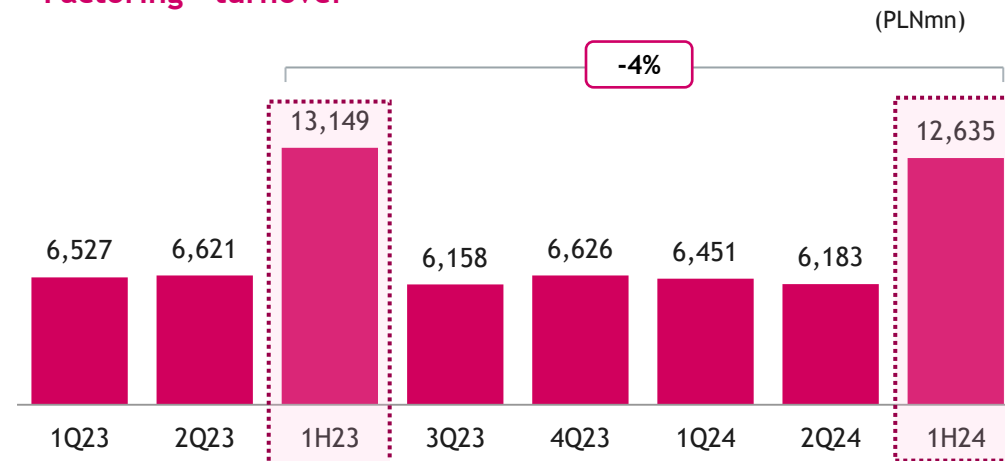
# COMPANIES BUSINESS - LEASING, FACTORING AND TRANSACTIONS

Leasing contracts accelerated reaching 20% growth y/y. Visible growth of clients' transactions.

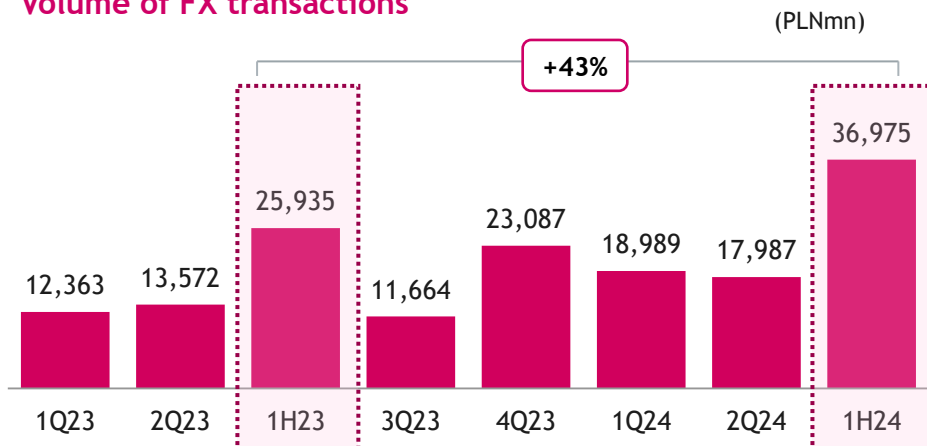
## Leasing - new sales



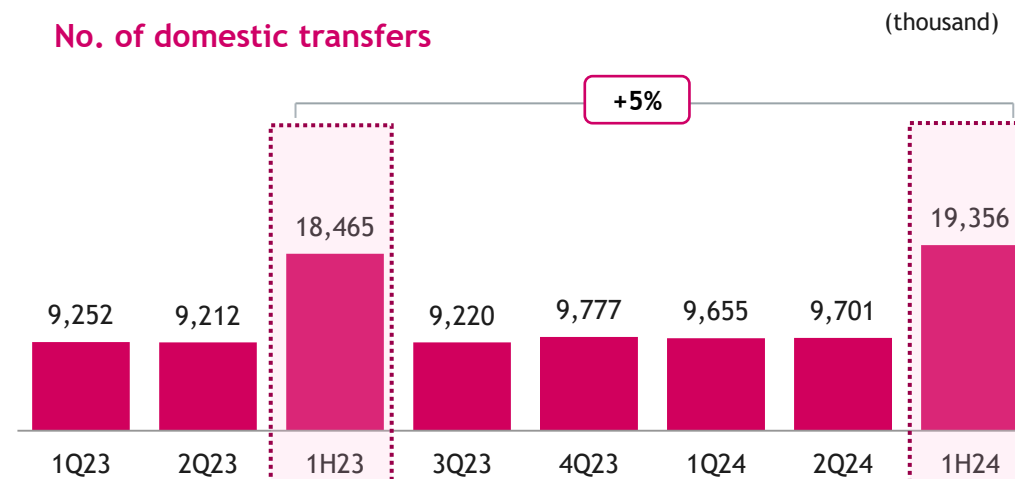
## Factoring - turnover



## Volume of FX transactions



## No. of domestic transfers



# CHANGES IN THE OFFER FOR CORPORATE BANKING CLIENTS

We are introducing new guarantee programmes, developing our employees' ESG competences

## NEW GUARANTEE PROGRAMMES

We have introduced new BGK guarantee programmes into the offer: Biznesmax Plus and Ekomax.



Biznesmax Plus guarantees secure loans financing innovative and eco-innovative investments, for the digital transformation of an enterprise or for innovative activities.

Ekomax guarantees can secure loans financing energy efficiency projects.

## HOUSING ESCROW ACCOUNTS

We have implemented changes to Open and Closed Housing Escrow Accounts (MRP).



The changes make it possible to handle payments under construction projects whose sales began before the entry into force of the so-called new Developer Act and are continued after the provided transition period. This ensures that developers maintain the continuity of sales started before the introduction of the Act.

## GREEN ACADEMY

We have completed the first part of the Green Academy - the ESG Academy, which allowed nearly 100% of corporate banking relationship managers to obtain green certificates.



The Green Academy programme is Bank Millennium's proprietary development programme. The aim of the programme is to improve the competences of advisors in the field of financing green investments and ESG issues and to support the development of the green financing portfolio.

**100 thous.** *payment cards are currently in the wallets of our corporate clients*

**74%** *foreign exchange transactions are concluded through the Millennium Forex Trader platform*

**93%** *of customers use the eBOK service to handle leasing agreements*

*In the eBOK service, customers can submit any case related to their agreement online, and the service is integrated with the Bank's online banking.*

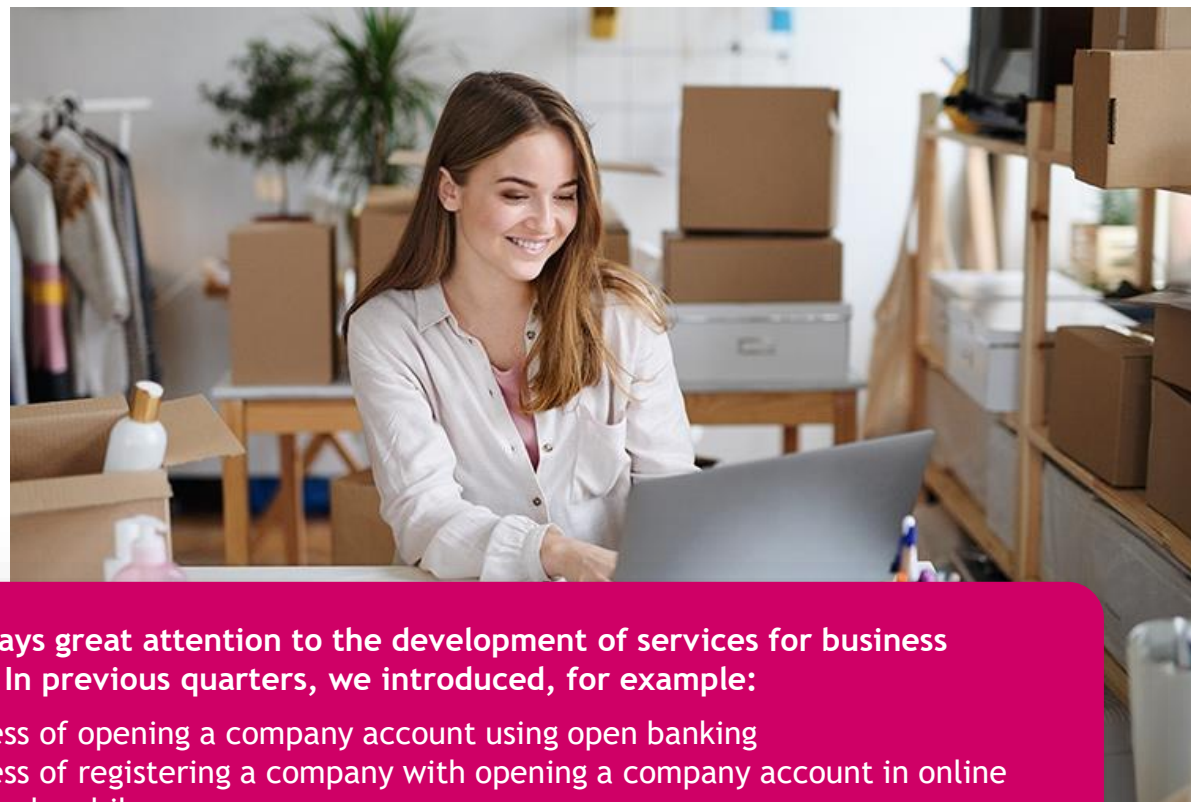
# ONLINE BUSINESS

We are developing an ecosystem of business services to make it easier to manage a company from its launch

## MILLENNIUM PAY & ONLINE STORE

The Bank has introduced the Millennium PAY payment gateway for business clients operating in the e-commerce sector. It enables online merchants to accept payments in electronic form. The client can enable the service already when registering the business. The solution was implemented with our Partner, PayTel (SIBS group).

In addition, customers will receive support in building a competitive sales website on the Sellingo platform.



The Bank pays great attention to the development of services for business customers. In previous quarters, we introduced, for example:

- the process of opening a company account using open banking
- the process of registering a company with opening a company account in online banking and mobile app
- Millennium Accounting
- Millennium POS app, which turns a smartphone into a payment terminal
- full online application for a cash loan with de minimis guarantee



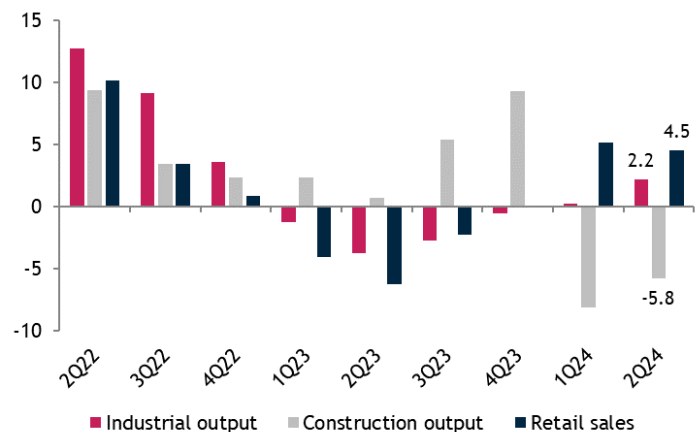
## 2Q24/1H24 RESULTS

Appendices

# MACROECONOMIC OVERVIEW

## Economy

Data from real economy (% y/y)

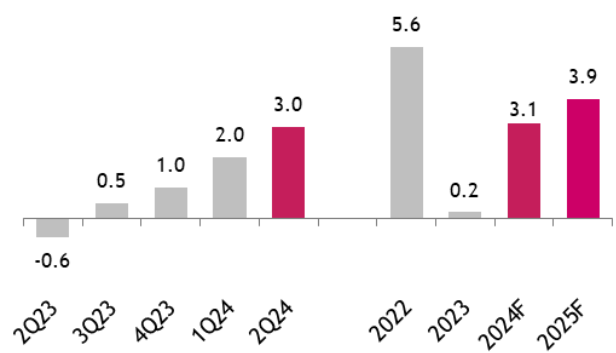


Economic sentiment indicators (sa, pts)

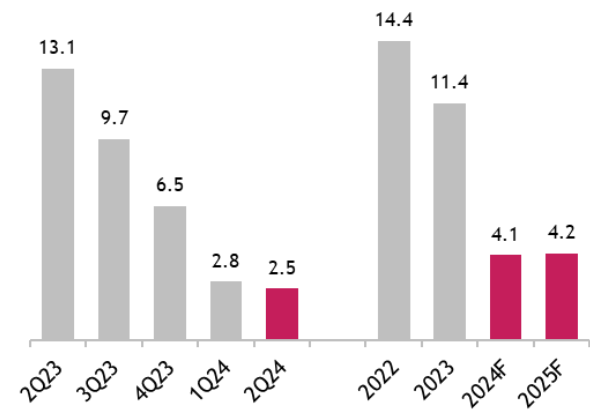


Economic recovery accelerated in Poland in 2Q24 and according to Bank Millennium's estimates GDP growth reached ca. 3.0% y/y compared to 2.0% y/y in 1Q24. Important pillar of the economic growth remained households' consumption, supported by good income situation and low unemployment. Investment in fixed assets remained weak. Inflation went down to 2.5% y/y in 2Q24 but it is expected to accelerate in 2H24 of this year and to reach above 5% y/y in December 2024. In such environment the Monetary Policy Council kept interest rates unchanged, communicating its intention to stabilize them at least till the end of this year.

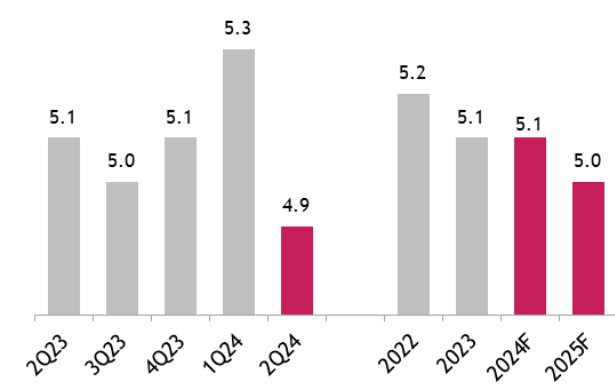
GDP growth rate (% y/y)



CPI inflation (% y/y)



Registered unemployment rate (%)

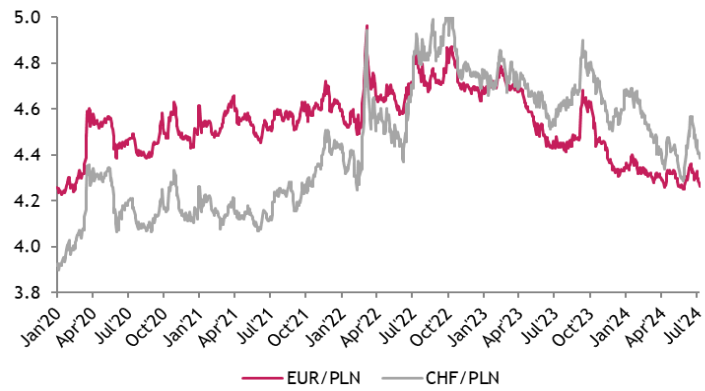


Source: GUS, Macrobond, Bank Millennium, F - forecast

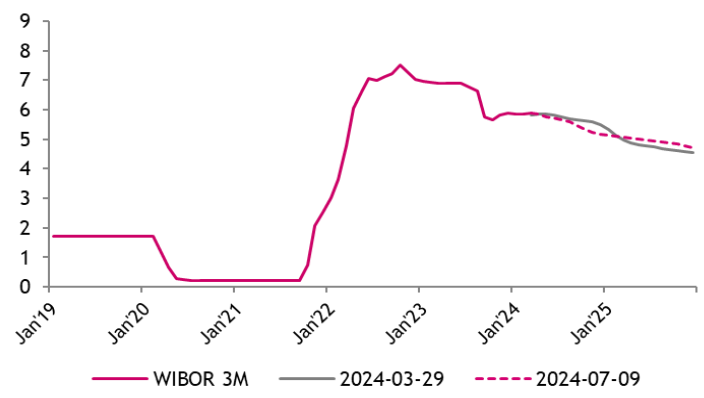
# MACROECONOMIC OVERVIEW

## Financial markets

Evolution of FX rates

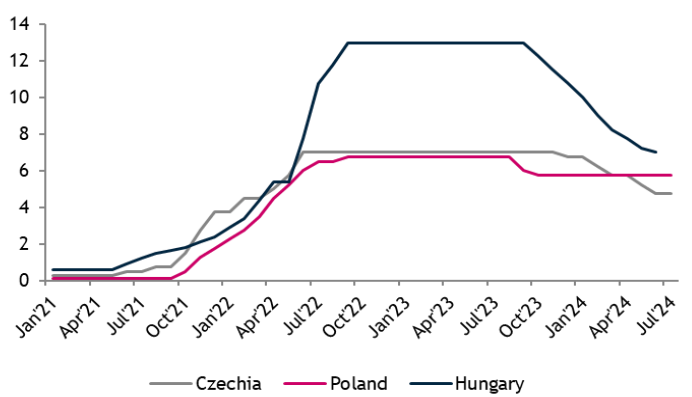


WIBOR 3M and market expectations (%)

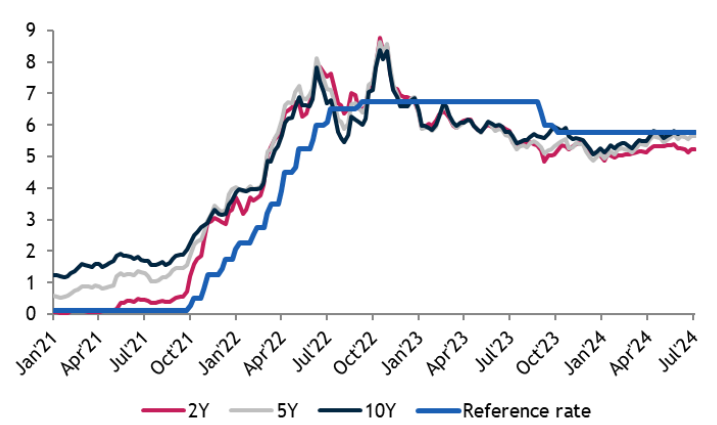


↙  
 The Monetary Policy Council kept its hawkish bias as the NBP governor communicates the stabilization of interest rates in coming quarters. In the Bank's opinion the interest rates should be stable at least till mid of 2025. Expansionary fiscal policy, uncertainty regarding price pressure and relatively high wage growth will be key arguments for the majority of the MPC. Outlook for the Polish currency is moderately positive in the Bank's opinion. Strengthening of the Zloty in medium term perspective remains the baseline scenario.

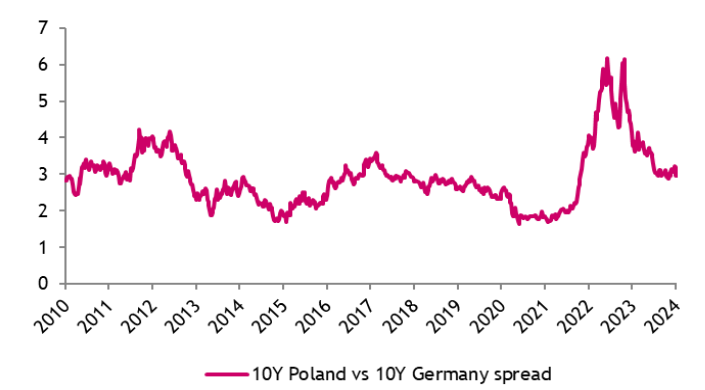
Official interest rates in CEE-3 countries (%)



Polish T-bonds yields (%)



Spread of Polish 10Y bond to 10Y German benchmark (%)

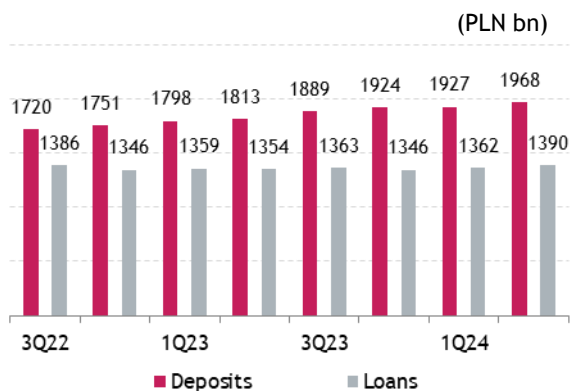


Source: Macrobond, LSEG Datastream

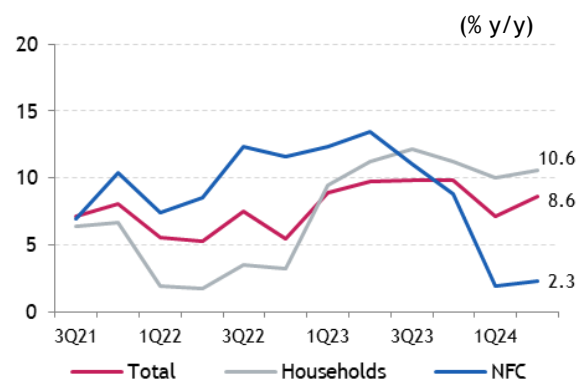
# MACROECONOMIC OVERVIEW

## Deposits and loans in economy

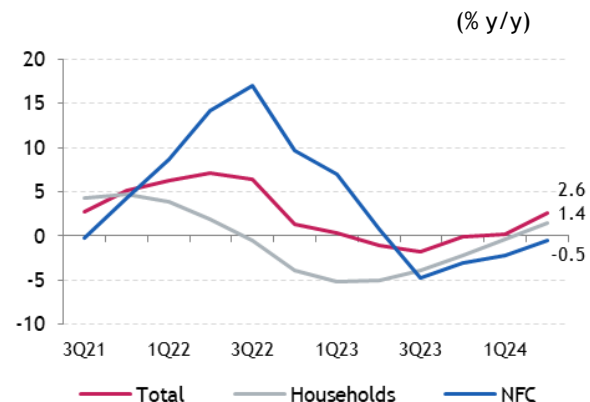
### Total deposits and loans



### Growth rate of deposits

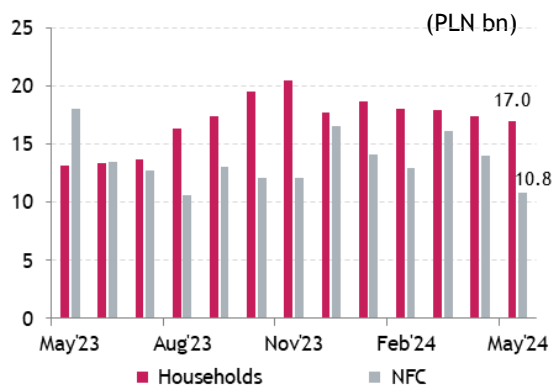


### Growth rate of loans

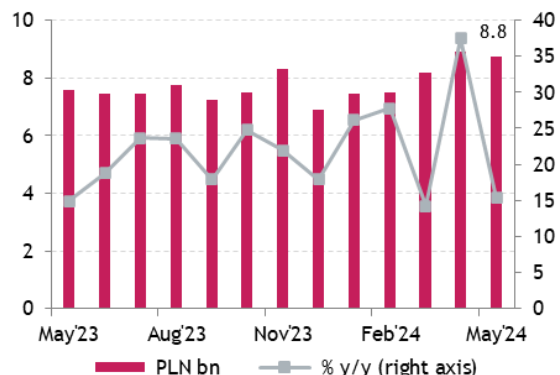


Growth of deposits in the banking sector accelerated in 2Q24. In June 2024, their value was higher by 8.6% y/y vs. 7.2% y/y in 1Q24. Improvement was observed in households' but also corporate sector, which reflects solid income situation of consumers and low investment activity of companies.

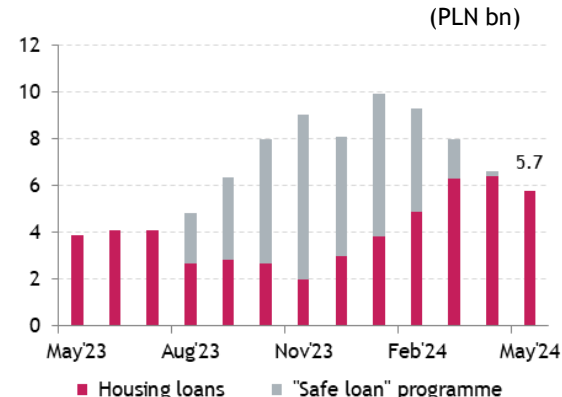
### Originated loans



### Originated consumer loans



### Originated housing loans



The dynamics of newly granted loans in the economy has slowed down. This reflects lower disbursement of mortgage loans to households following expiration of "Safe Loan 2%,, program. Also production of loans for non-financial companies deteriorated, reflecting low investments in the economy and high real interest rates.

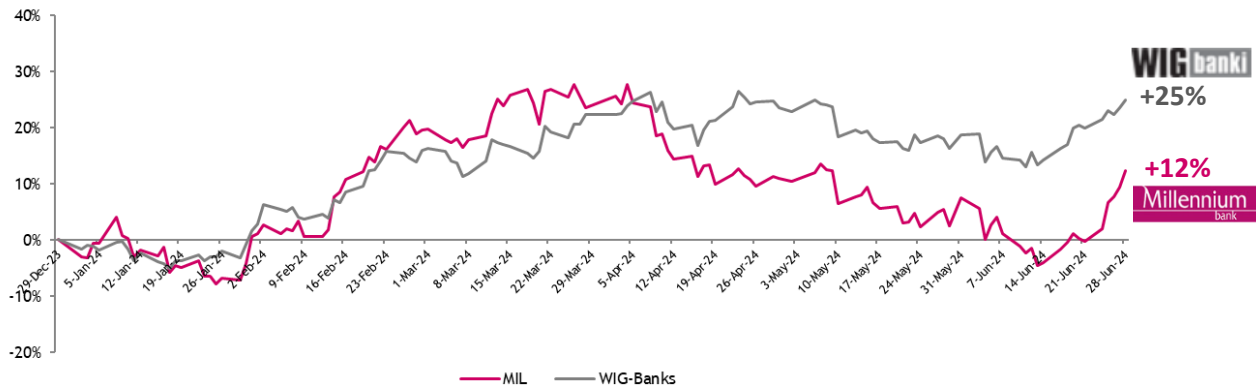




# RATINGS AND MARKET RATIOS

In 1H24 WSE good investor sentiment continued on WSE. Bank Millennium's shares gained 12% ytd.

Ytd change of Bank Millennium share performance vs. WIG Banks index

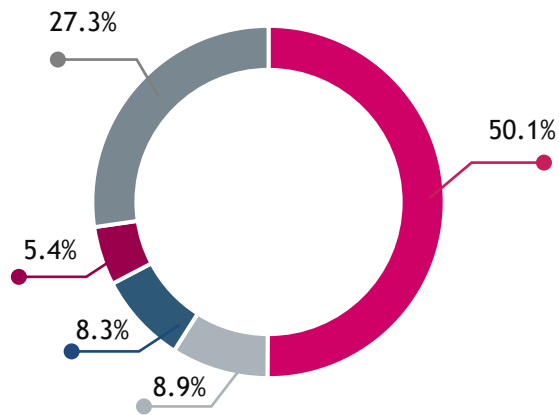


No of shares: 1 213 116 777 (listed 1 213 008 137) Listed: on Warsaw Stock Exchange since August 1992

Index: WIG, WIG 30, mWIG40, WIG Banks, WIG-ESG Tickers: ISIN PLBIG0000016, Bloomberg MIL PW, Reuters MILP.WA

## Bank Millennium shareholders' structure (31.12.2023)

- BCP
- Nationale-Nederlanden OFE (Pension Fund)
- Allianz Polska OFE (Pension Fund)
- PZU „Złota Jesień” OFE (Pension Fund)
- Remaining free float



## Ratings of Bank Millennium

On April 26, 2024 Moody's confirmed Bank's long- and short-term deposit ratings at Baa3/P-3 and changed the outlook on the long-term deposit ratings to positive from negative. Additionally, Moody's affirmed Bank's BCA at ba3, Adjusted BCA at ba2, its (P)Ba2 rating for junior senior unsecured MTN program and Ba2 rating for junior senior unsecured bonds of the Bank.

On June 28, 2024, Fitch upgraded the Bank's Long-Term Foreign-Currency Issuer Default Rating (LT IDR) and Long -Term Local Currency IDR (LC LT IDR) to 'BB+' and maintained outlooks for these rating at 'Positive. Additionally, Fitch upgraded to 'bb+' the Viability Rating (VR) for the Bank and upgraded to 'BB+' rating for the senior non-preferred bonds issued by the Bank.

The Bank's corporate ratings, at the date of this presentation, were as follows:

Bank Millennium's ratings	Moody's	Fitch
Long term deposit (LTR) / Issuer Default (IDR)	Baa3	BB+
Rating outlook	LTR positive outlook	Positive outlook
Short term IDR	Prime-3	B
Standalone BCA	ba3	
Viability		bb+
CR rating	Baa2/Prime-2	
Shareholder support rating (SSR)		b+
SNP MREL bonds	Ba2	BB+

# ESG ACTIVITIES



## ESG report of Bank Millennium and Bank Millennium Group for 2023

- The ESG report is an annual summary of the activities of the Bank Millennium Group in the area of sustainable development.
- The report complies with the standards issued by the **Global Reporting Initiative (GRI)**.
- This year's report incorporates **TCFD guidelines** (Task Force on Climate-related Financial Disclosures) for the first time.
- The report also includes full disclosures as required by the **EU Taxonomy**, including a full **GAR**.
- The report was **verified** as part of independent assurance services by **Deloitte** Audyt Sp. z o. o. sp.k. in terms of selected GRI indicators.



## Continued cooperation with Bank Gospodarstwa Krajowego

- **BiznesMax Plus i Ekomax** - Bank Millennium has introduced the Businessmax Plus and Ekomax guarantees.
- Both instruments are aimed at an entrepreneur from the SME sector or small mid-caps or mid-caps.
- **Green Loan** - the Bank is also continuing the cooperation with the BGK in providing a Green Loan, which is co-financed by the European Funds for Modern Economy 2021-2027 (FENG) program, under Priority 3 "Greening of Enterprises."



## Raising awareness of sustainable development

- The Bank has launched the **Green Academy**, a year-long proprietary development program for sales network and head office employees on green investment finance.
- The aim of the program is to support employees in **the development of knowledge and competences in selected practical aspects of ESG**.
- The program will enable staff to further improve their understanding of customer perspectives and needs, as well as identify sales potential, which will have an impact on the development of **the green finance portfolio**.

# ESG ACTIVITIES



## 21. Millennium Docs Against Gravity festival

- For 19 years, **Bank Millennium has been a patron** of this largest film festival in Poland.
- The motto of this year's festival was **'In relation to the world'**.
- The festival took place in May in seven cities (Warsaw, Wrocław, Gdynia, Poznań, Katowice, Łódź and Bydgoszcz) and online at mdag.pl.
- In total, **more than 165,000 participants attended** - more than twenty thousand more than last year's audience.
- The bank has decided **to extend the cooperation with the festival** for another three years.



## Our People'24: Save the Planet

- Bank Millennium and the Bank Millennium Foundation have launched the second edition of **the initiative bringing together employees around the idea of protecting the planet**, through sport and volunteering.
- The program promotes social values: **care for the environment, solidarity and a healthy lifestyle**.
- In the ongoing first part of the program, employees collect points (through sport activities), which are converted into zlotys.
- After two months of the program, participants **achieved their financial goal**, raising PLN 250,000 donated to the Bank Millennium Foundation by the bank.
- The Foundation will use the money for eco-volunteering, which is the second part of the program.



## Financial ABC

- **The twelfth edition of the „Financial ABC”** program took place in H1 2024.
- This is a **proprietary financial education program for pre-schoolers**, launched by the Bank Millennium Foundation in 2016 and implemented by employees in partnership with the NGO.
- The program teaches toddlers to navigate the challenging world of finance fluently and safely.
- Since its beginning, more than **83,000 children** across Poland have participated in the program.
- In 2024, the "Financial ABC" project received **the honorary patronage of the Ombudsman for Children**.

# THE MOST IMPORTANT AWARDS AND ACHIEVEMENTS OF BANK MILLENNIUM in 2Q24

The Innovators 2024, Golden Banker 2024, Stars of Banking DGP



## Bank Millennium with the title of The Greatest Financial Innovation 2024

The new Bank Millennium app for companies received the title of the **Greatest Innovation in Finances** - in corporate banking category. The awards are granted by the Global Finance Magazine.

Jurors recognised specifically the User Experience (UX) of the mobile app. In the programme, awards are granted to institutions who, on regular basis, discover innovations and design new tools in finances.



## Bank Millennium is again one of the best in Golden Banker

Bank Millennium took the high second place in the category of the **best multi-channel service quality**, with a difference of only 0.4 p.p. compared to the winner. In the payment card - best design category, gold was awarded to the unique WWF Millennium Mastercard with the image of a lynx, a species threatened with extinction in Poland. Konto 360° Junior also deserved a distinction, taking third place in the category of accounts for children.



## Bank Millennium is one of the best banks in Poland in building customer relationships

The Bank came third in the “Customer Relationship” category of the Stars of Banking 2024 competition organised by Dziennik Gazeta Prawna in cooperation with PwC.

This is an important award determined by customer feedback. The winners were picked on the basis of results of an opinion poll, based on 12,000 surveys carried out among clients of financial institutions, holders of bank accounts.

# AWARDS FOR DIGITAL CHANNELS IN 1H24

The quality of our digital solutions is appreciated in Poland and abroad



**PAYTECH AWARDS** - Award in the Best Card Initiative category for omnichannel credit card application and card services in digital channels

**THE INNOVATORS** - Top Innovator in Finance 2024 for Best UX for Corporates (award for Bank Millennium for Companies mobile app)

**MOBILE TRENDS AWARDS** - Nomination for Bank Millennium for Companies mobile app in the Mobile-based Business Solution category



## INSTYTUCJA ROKU

1st place - Best Remote Account Opening Process

2nd place - Best Mobile App

4th place - Best Online Banking



## ZŁOTY BANKIER

2nd place - Best Multichannel Service Quality

2nd place - Digital Banking (online/mobile)

# SYNTHETIC P&L ACCOUNT

	1H23	1H24	Change Y/Y	1Q24	2Q24	Change Q/Q
Net interest income	2 598	2 536	-2%	1 354	1 182	-13%
<i>Including cost of credit holidays</i>	0	-201	-	0	-201	-
<i>Net interest income without credit holidays</i>	2 598	2 737	5%	1 354	1 383	2%
Net commission income	404	390	-3%	200	191	-5%
Other non-interest income	572	-185	-	-137	-48	-65%
<b>Operating Income</b>	<b>3 574</b>	<b>2 741</b>	<b>-23%</b>	<b>1 417</b>	<b>1 324</b>	<b>-7%</b>
General and administrative costs	-865	-994	15%	-544	-450	-17%
Depreciation	-105	-110	4%	-54	-55	2%
<b>Total operating costs</b>	<b>-970</b>	<b>-1 103</b>	<b>14%</b>	<b>-598</b>	<b>-505</b>	<b>-16%</b>
Net cost of risk *	-172	-190	11%	-120	-71	-41%
Other modification	-36	-42	17%	-21	-22	4%
FX legal risk provision	-1 621	-1 124	-31%	-549	-575	5%
<b>Operating profit</b>	<b>775</b>	<b>281</b>	<b>-64%</b>	<b>129</b>	<b>152</b>	<b>17%</b>
Banking tax	0	-35	-	0	-35	-
<b>Pre-tax profit</b>	<b>775</b>	<b>247</b>	<b>-68%</b>	<b>129</b>	<b>117</b>	<b>-9%</b>
Income tax	-418	110	-126%	-1	111	-
<b>Net profit</b>	<b>358</b>	<b>357</b>	<b>0%</b>	<b>128</b>	<b>229</b>	<b>78%</b>



(\*) cost of risk includes impairment provisions (on all stages), FV adjustment on loans and result on modification (except for a part related to amicable settlements with FX mortgage borrowers)

# BALANCE SHEET

PLN million	30.06.2023	31.03.2024	30.06.2024	Change y/y
<b>ASSETS</b>				
Cash and balances with the Central Bank	6 769	4 937	5 857	-13%
Loans and advances to banks	532	427	488	-8%
Loans and advances to customers	74 152	73 911	74 645	1%
Amounts due from reverse repo trans.	48	431	198	315%
Debt securities	29 400	48 248	50 180	71%
Derivatives (for hedging and trading)	617	669	635	3%
Shares and other financial instruments	135	148	143	6%
Tangible and intangible fixed assets	995	1 040	1 057	6%
Other assets	2 176	2 327	2 331	7%
<b>TOTAL ASSETS</b>	<b>114 824</b>	<b>132 138</b>	<b>135 535</b>	<b>18%</b>
<b>LIABILITIES AND EQUITY</b>				
Deposits and loans from banks	523	558	585	12%
Deposits from customers	100 597	113 184	116 540	16%
Liabilities from repo transactions	350	380	3	-99%
Financial liabilities at fair value through P&L and hedging derivatives	898	621	645	-28%
Liabilities from securities issued	252	3 324	3 596	1328%
Provisions	1 142	1 822	2 264	98%
Subordinated liabilities	1 566	1 559	1 562	0%
Other liabilities	3 139	3 608	2 997	-5%
<b>TOTAL LIABILITIES</b>	<b>108 466</b>	<b>125 056</b>	<b>128 191</b>	<b>18%</b>
<b>TOTAL EQUITY</b>	<b>6 357</b>	<b>7 082</b>	<b>7 344</b>	<b>16%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>114 824</b>	<b>132 138</b>	<b>135 535</b>	<b>18%</b>

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[www.bankmillennium.pl](http://www.bankmillennium.pl)



[Kanał na YouTube](#)



[@BankMillennium](#)

Next events:



29.10.2024 – 3Q24 results