



Millennium
bank

Preliminary 4Q23 / FY2023 results

30 January 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), in particular financial and current reports.

Financial data presented hereby is on consolidated Bank Millennium Group level. FY2023 results presented are preliminary and unaudited. Publication of audited FY2023 results is scheduled for February 28, 2024.

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



MAIN ACHIEVEMENTS DURING 2023

CAPITAL & MREL

- **Significant improvement of the Group Core Tier 1 and total Capital ratios** to 14.7% and 18.1% respectively (more than 5 p.p. growth since September 2022) and comfortable fulfilment of capital requirements including P2G
- **Fulfilment of the interim and final MREL requirements** in September 2023 after the issuance of EUR500mn SNP MREL bonds under the EMTN Programme
- **Execution of two securitisation transactions** - leasing in July'23 and cash loans in December'23

PROFITABILITY

- **The fifth quarter in a row with positive net result.** 2023 reported net profit of PLN576mn or PLN3.0bn excluding non-recurring events
- **Strong NII** which grew 13% y/y, with NIM at 4.60%
- Core income growing 10% y/y
- FY23 Cost-to-Income ratio at 29.6%
- Exceptional contribution from **the gains of the insurance project** (PLN652mn gross, PLN528mn net)
- Solid management of credit risk with cost of risk at 39 bp

BUSINESS VOLUMES EVOLUTION

- Total deposits portfolio grew 9.4% y/y
- Cash loans +7.9% y/y
- PLN mortgage loans +3.6% y/y
- Growth of investment funds' portfolio by 26% y/y
- Commercial liquidity surplus PLN33.6bn
- Loans to Deposit ratio at 68.7%

MAIN COMMERCIAL HIGHLIGHTS

- Number of active retail clients crossed 3mn with 90% digitally active
- FY23 loan sales:
 - ✓ Cash loans PLN6,330mn (+16% y/y)
 - ✓ Mortgage loans PLN4,841mn (-26% y/y)
 - ✓ Leasing PLN3,129mn (-12% y/y)
 - ✓ Microbusiness loans PLN992mn (+56% y/y), 90% collateralized by BGK guarantees.



01

PRELIMINARY 4Q23/2023 RESULTS

Financial performance

KEY PROFIT & LOSS ITEMS

PLNm	2023	2022	Change Y/Y	4Q23	3Q23	Change Q/Q
Net interest income	5 253	3 337	57%	1 284	1 372	-6%
<i>o/w impact of credit holidays</i>	-9	-1 324	-	-9	0	-
<i>Net interest income without credit holidays</i>	5 263	4 661	13%	1 293	1 372	-6%
Net commission income	782	808	-3%	190	188	1%
Total operating income (without credit holidays)	6 732	5 333	26%	1 576	1 582	0%
Total costs	-1 993	-2 093	-5%	-529	-494	7%
<i>Costs without BFG/IPS</i>	-1 933	-1 696	14%	-529	-494	7%
Loan loss provisions	-299	-358	-16%	-68	-59	16%
Other modifications	-52	-102	-	-11	-5	124%
FX mortg. legal risk provisions	-3 065	-2 017	52%	-702	-743	-6%
Banking tax on assets	0	-169	-100%	0	0	-
Net profit	576	-1 015	-	115	103	12%
<i>Net profit without extraordinary items *</i>	2 993	2 239	34%	741	804	-8%
NIM	4.60%	4.43%	0.17 pp	4.24%	4.77%	-0.53 pp
Cost/income reported	29.6%	39.3%	-9.7 pp	33.6%	31.2%	2.4 pp
Cost/income adjusted *	29.5%	36.2%	-6.7 pp	31.2%	29.4%	1.8 pp
Cost of risk (bp)	39	44	-5 bp	36	31	5 bp
ROE reported	9.1%	-17.5%	-	-	-	-
ROE adjusted *	21.7%	21.5%	0.2 pp	-	-	-

(*) Extraordinary items: Income from bancassurance transaction (PLN652mn pre-tax in 2023), cost of credit holidays (PLN-1,324mn in 2022 and PLN-9mn in 2023), FX-mortgage related costs and with linear distribution of BFG resolution fund fee and hypothetical bank tax in 2023 and 2H 2022; ROE: Equity adjusted by FX related costs

KEY BALANCE SHEET AND BUSINESS ITEMS

PLNmn	Dec. 23	Dec. 22	Change Y/Y	Sep. 23	Change Q/Q
Active customers (ths)	3 003	2 887	116	2 981	22
inc. on-line and mobile	2 702	2 519	182	2 664	37
Customer Funds	115 316	104 468	10%	113 593	2%
Deposits	107 246	98 039	9%	106 176	1%
Deposits of individuals	76 600	68 787	11%	74 247	3%
Loans	73 643	76 565	-4%	73 983	0%
FX Mortgage Loans excl. EB	2 651	6 240	-58%	3 399	-22%
Loans without FX mortgage	70 654	69 725	1%	70 161	1%
L/D	68.7%	78.1%	-9.4 pp	69.7%	-1.0 pp
Impaired loan ratio *	4.6%	4.5%	0.1 pp	4.7%	-0.1 pp
Coverage ratio	72.2%	69.9%	2.3 pp	72.2%	-0.0 pp
CET1 = T1	14.7%	11.3%	3.4 pp	13.5%	1.2 pp
TCR	18.1%	14.4%	3.7 pp	16.6%	1.5 pp



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

FINANCIAL HIGHLIGHTS OF 2023

Strong core profitability, efficiency and asset quality. Positive net result in each quarter of 2023 despite elevated costs related to FX-mortgage portfolio.

Material net profit in 2023

PLN576mn

Adjusted net profit**

+34% y/y

Growing NII and NIM*

+13%; +17bp y/y

ROE reported and adjusted**

9.1% / 21.7%

Adj. cost/income**

29.5%

NPL ratio

4.6%

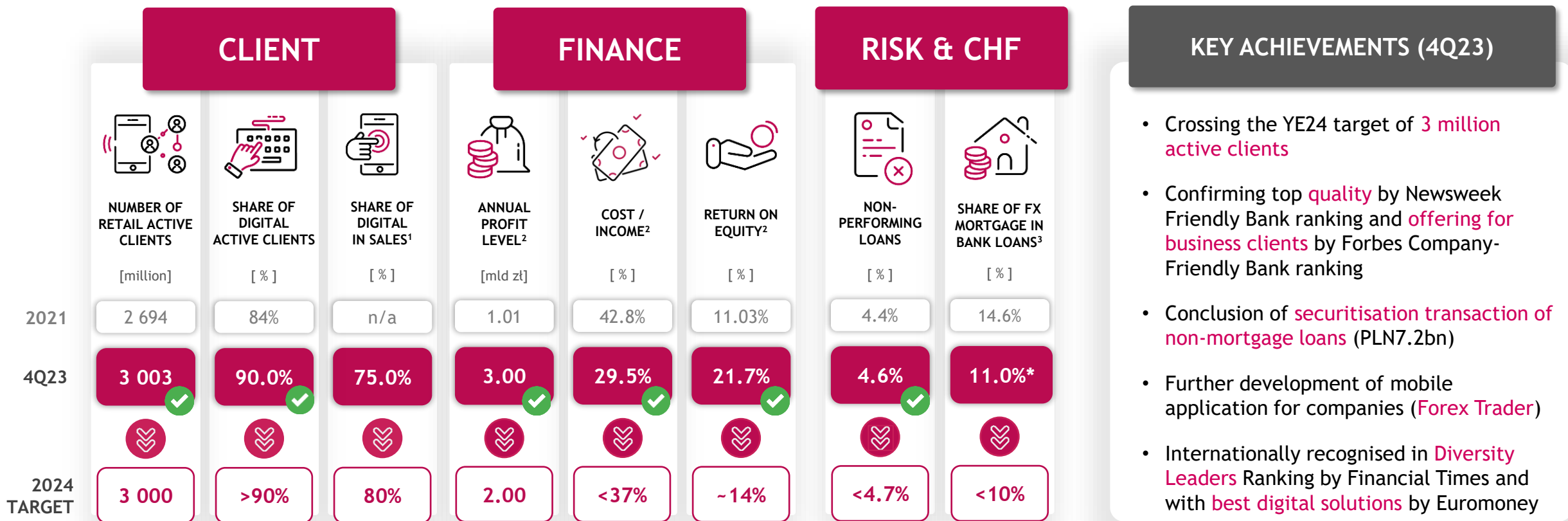


(*) Without the impact of credit holidays

(**) Extraordinary items: Income from bancassurance transaction (PLN652mn pre-tax in 2023), cost of credit holidays (PLN-1,324mn in 2022 and PLN-9mn in 2023), FX-mortgage related costs and with linear distribution of BFG resolution fund fee and hypothetical bank tax in 2023 and 2H 2022; ROE: Equity adjusted by FX related costs

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

We already crossed the YE24 target of 3 million active customers and the landmark of 90% of them using digital channels planned for 2024, and continued evolving well to reach all other 2024 key strategic objectives

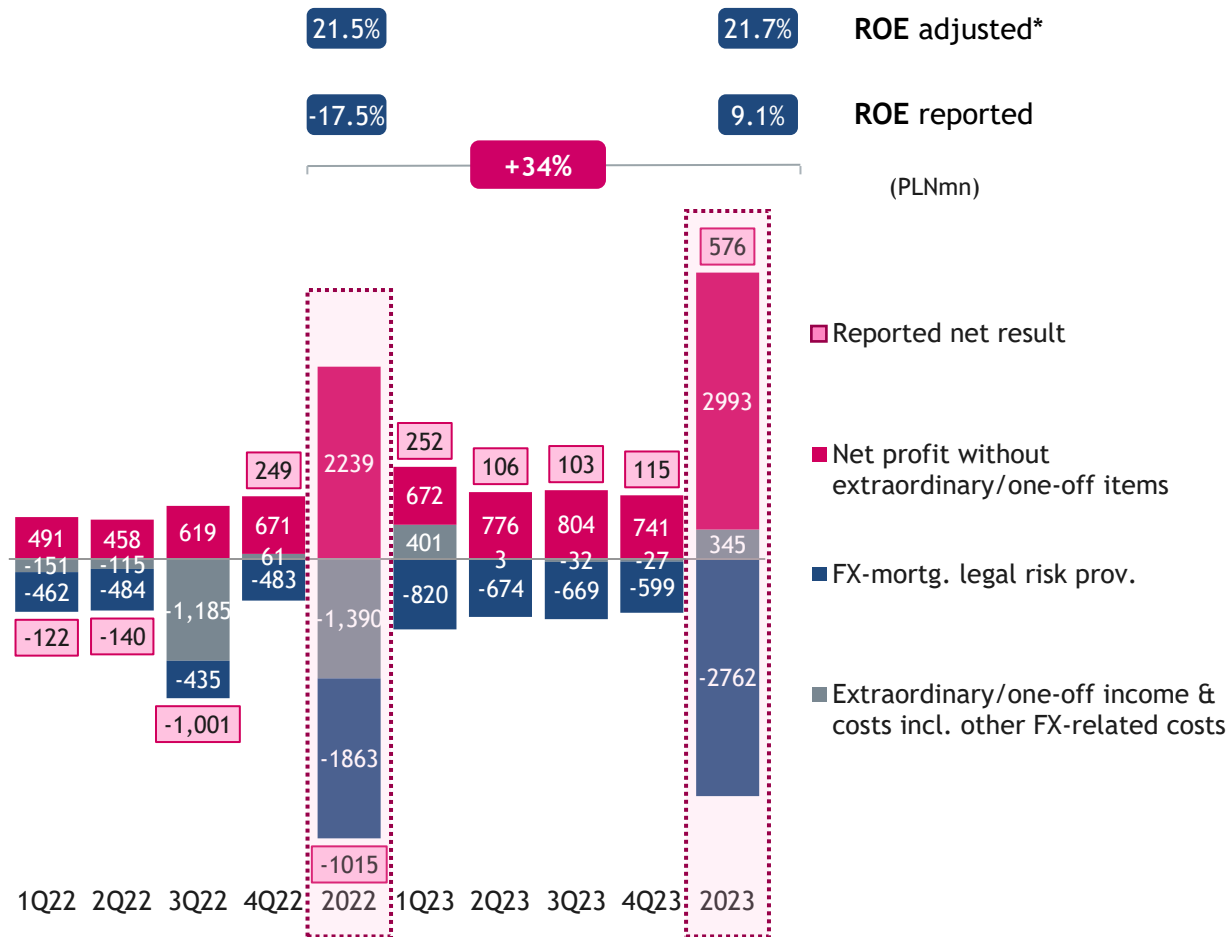


(1) calculated as an average of digital sales shares in key products' volumes; (2) Excluding FX-mortgage book related costs (for 2023 excluding also financial impact of bancassurance transaction); (3) W/o deduction of allocated legal risk provisions; (*) share of all FX-mortgages in total gross loans of the Bank disregarding legal risk provisions was 11.9%

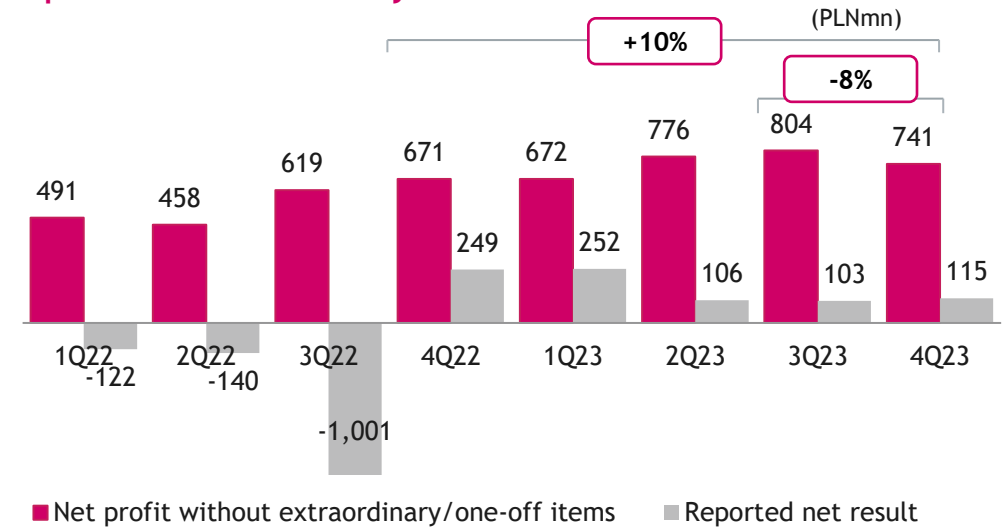
FINANCIAL HIGHLIGHTS OF 2023

Material reported net profit of PLN 576mn in 2023. Adjusted net profit of PLN2,993mn, up 34% y/y. Adjusted ROE on stable level of almost 22%.

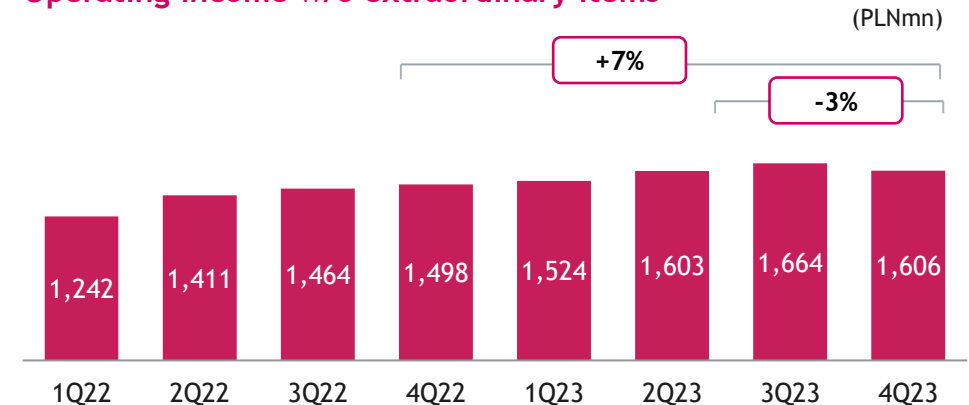
Net profit



Net profit w/o extraordinary* items



Operating income w/o extraordinary items**



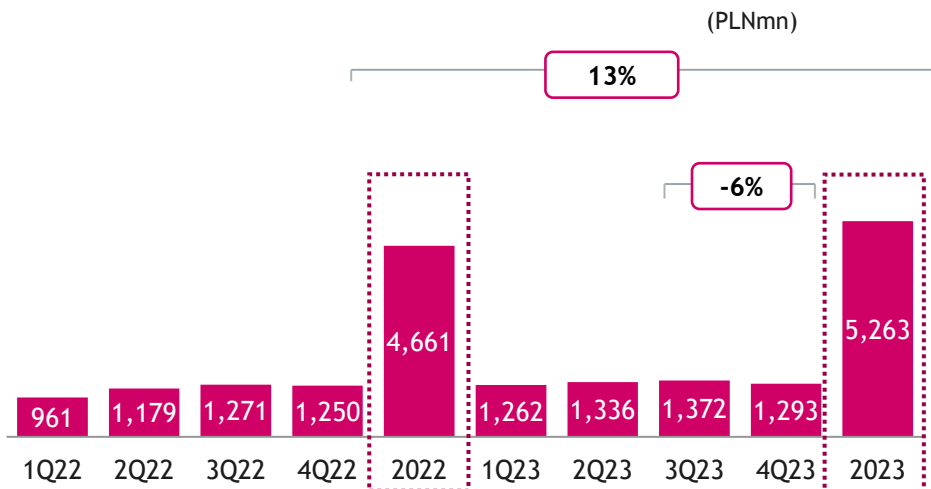
(*) Extraordinary items: Income from bancassurance transaction (PLN652mn pre-tax in 2023), cost of credit holidays (PLN-1,324mn in 2022 and PLN-9mn in 2023), FX-mortgage related costs and with linear distribution of BFG resolution fund fee and hypothetical bank tax in 2023 and 2H 2022; ROE: Equity adjusted by FX related costs

(**) Extraordinary items: Income from bancassurance transaction (PLN597mn pre-tax), FX-mortgage related costs and indemnity from SG in FX income and other operating income/cost and cost of credit holidays

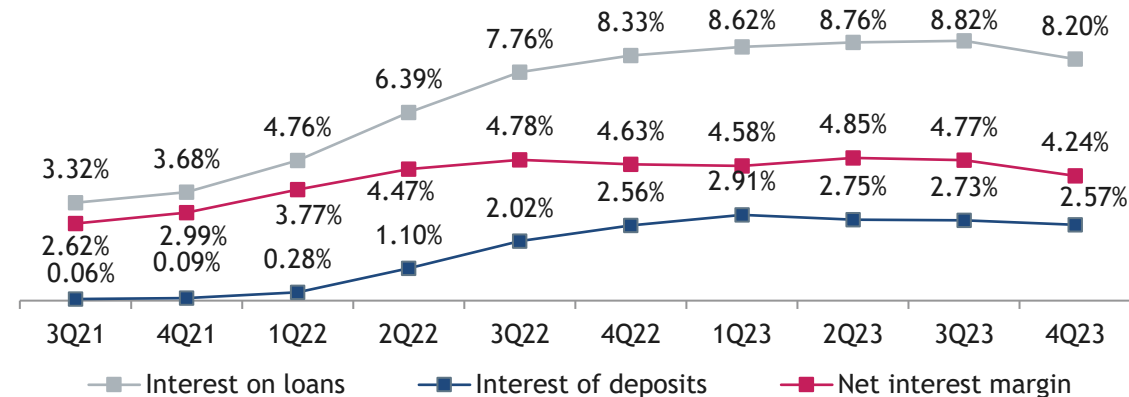
INTEREST AND COMMISSION INCOME

NII annual growth rate decelerated to 13%. NIM lower in 4Q23 due MREL bond cost and IEA mix change; cost of deposits lower by 16 bps

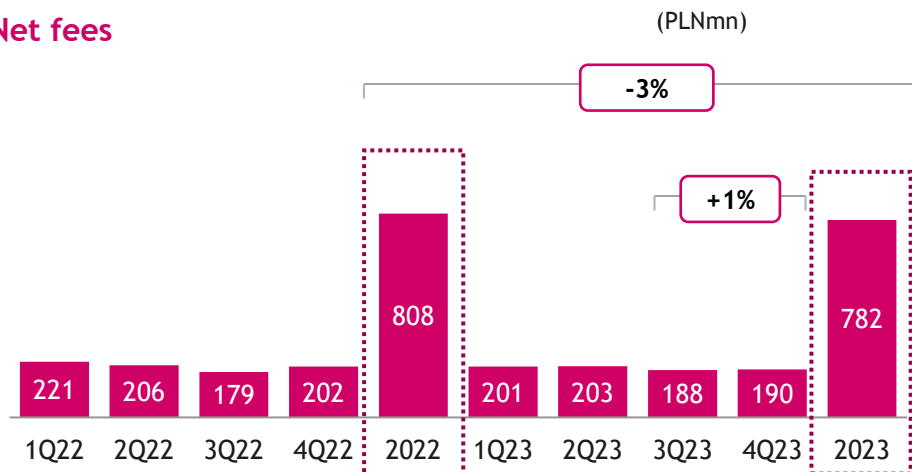
Net interest income*



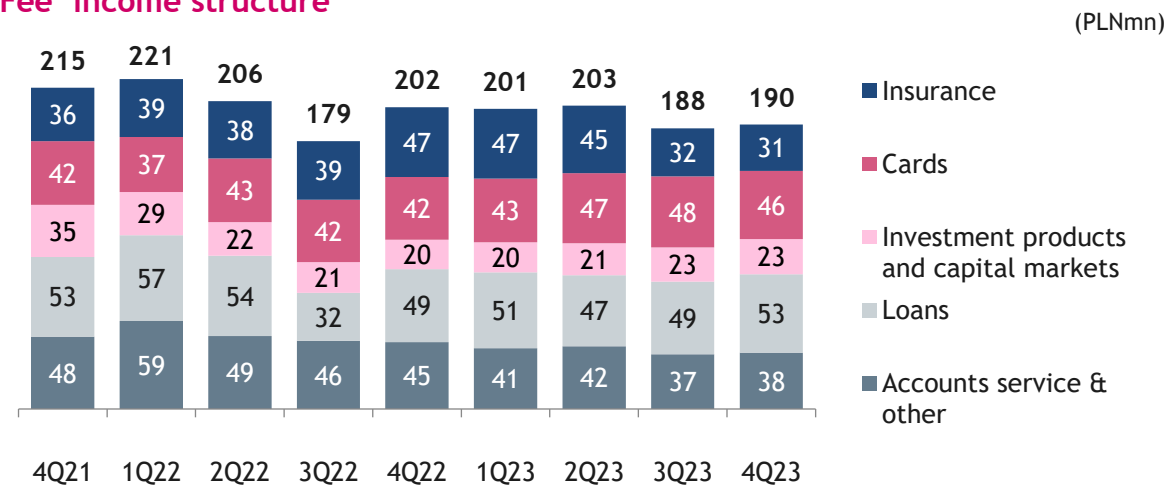
Interest on loans* and deposits (quarterly average)



Net fees



Fee income structure

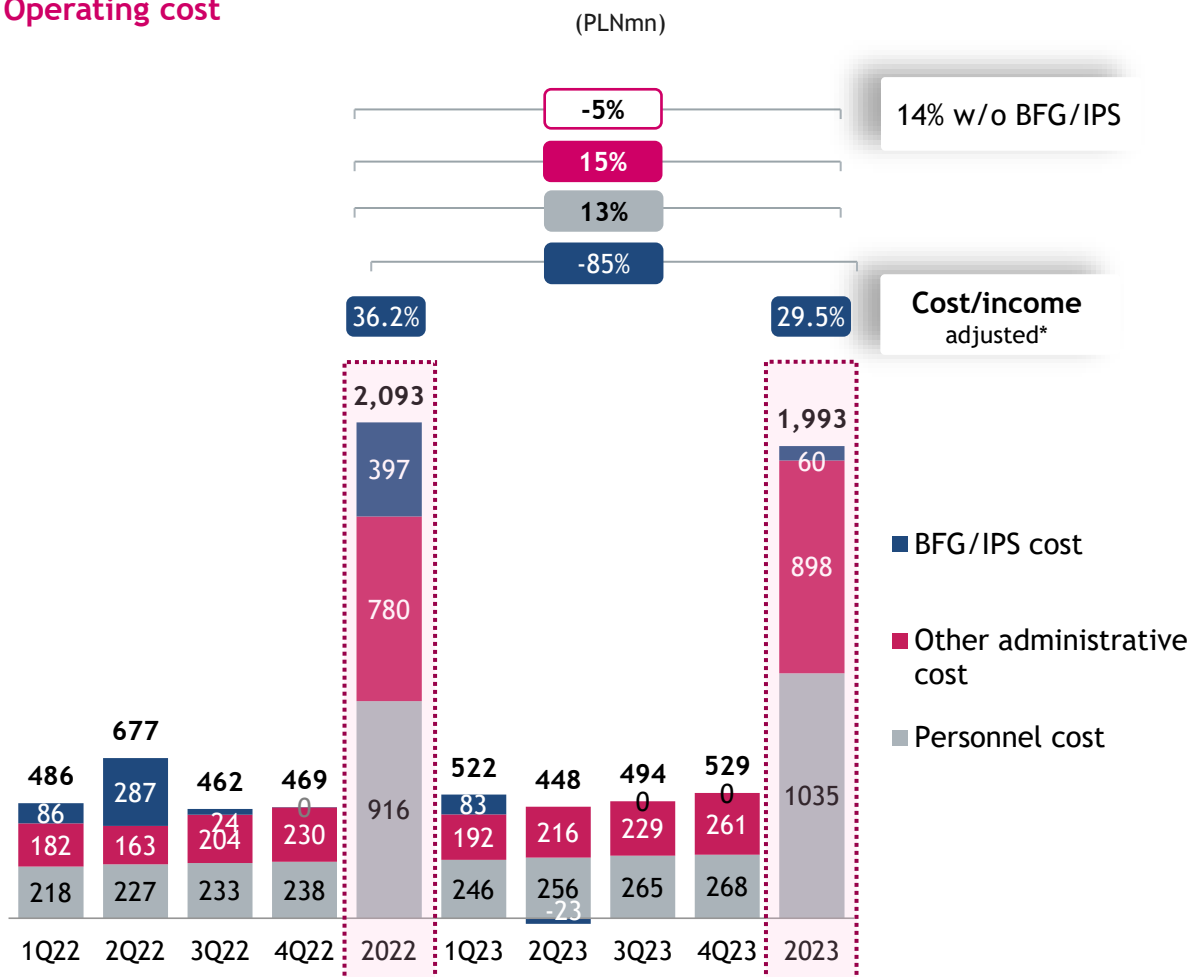


(*) without cost of credit holidays

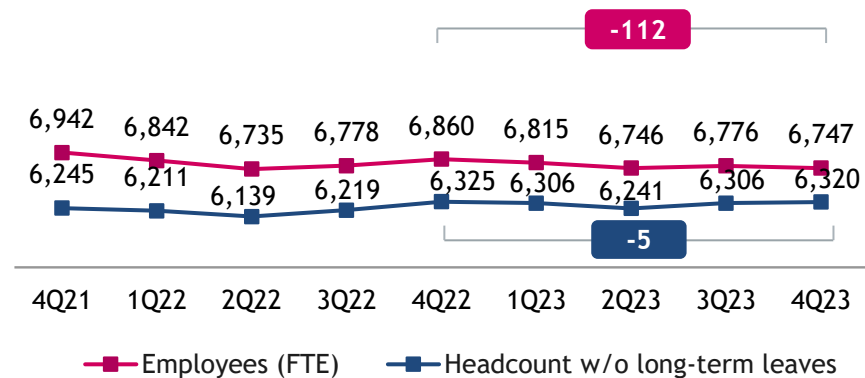
EFFICIENCY

Operating costs fell 5% y/y and grew 14% y/y without BFG/IPS. C/I at record low of 29.5% supported by considerable growth in operating income and rational cost management.

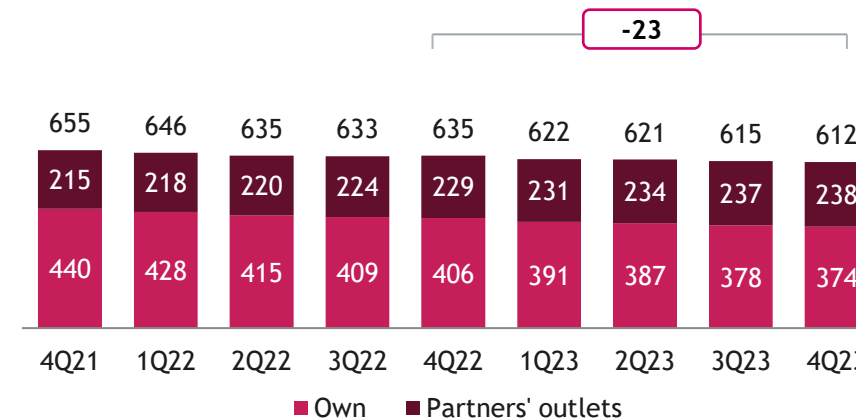
Operating cost



Employees



Branches

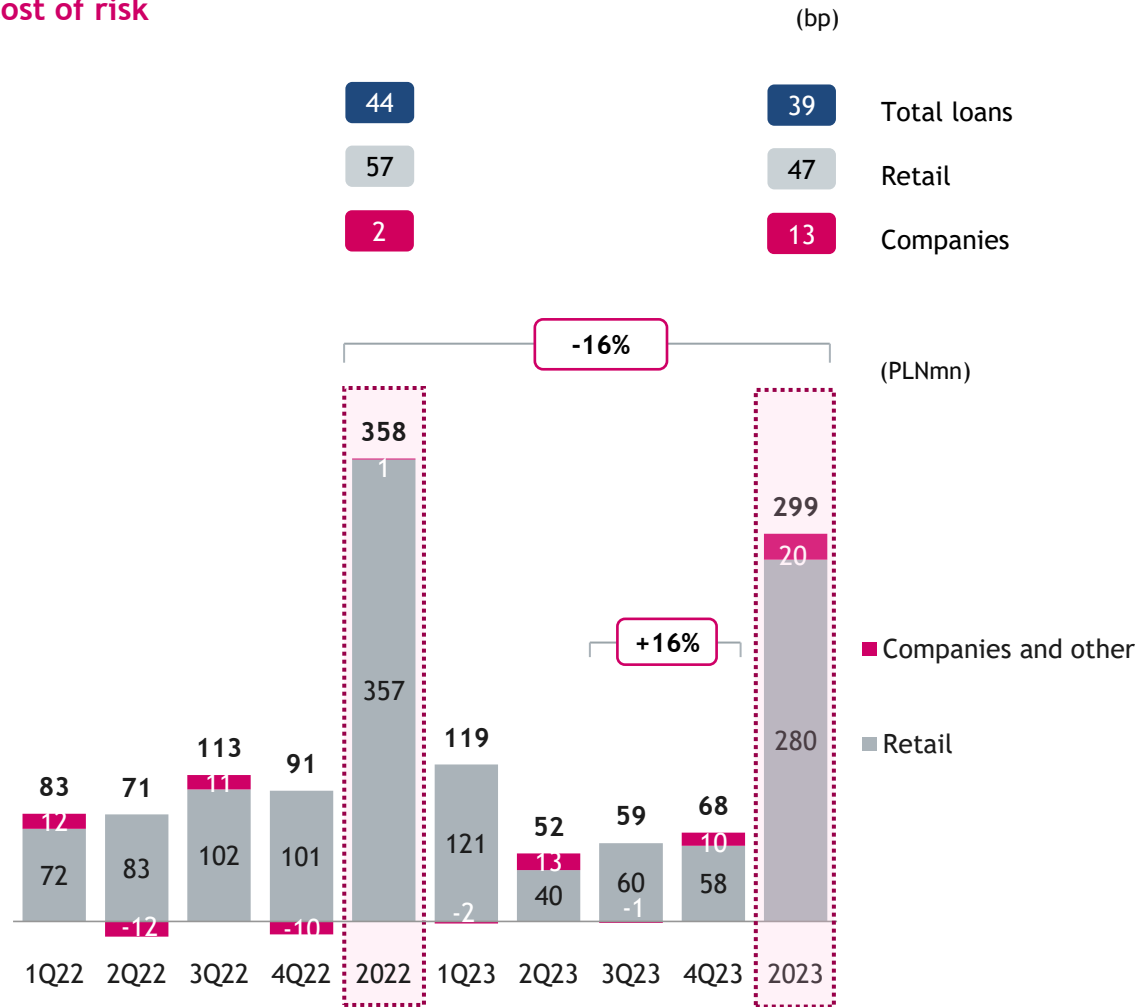


(*) without one-off income and FX mortgage related costs (litigation and amicable settlements with clients), with linear distribution of BFG resolution fund fee

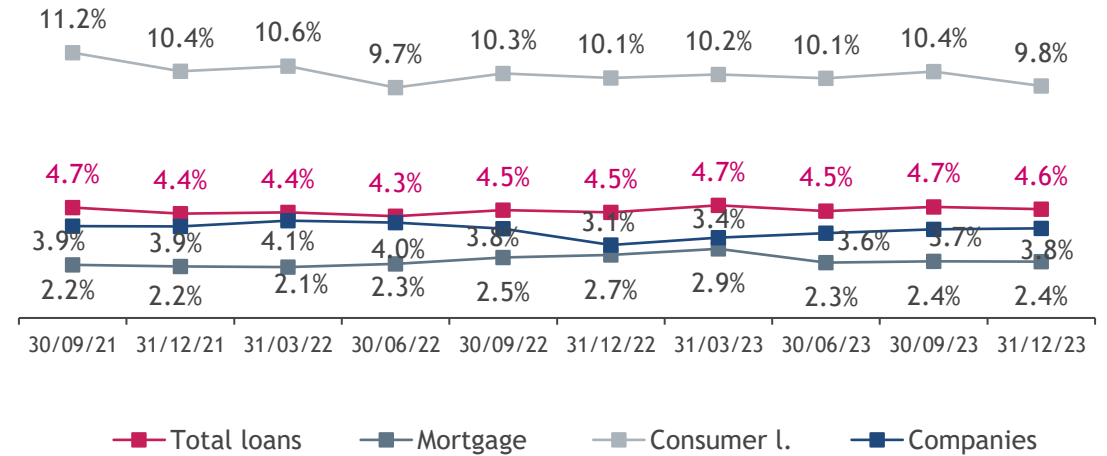
ASSET QUALITY

Strong credit quality, low cost of credit risk and higher coverage of NPLs

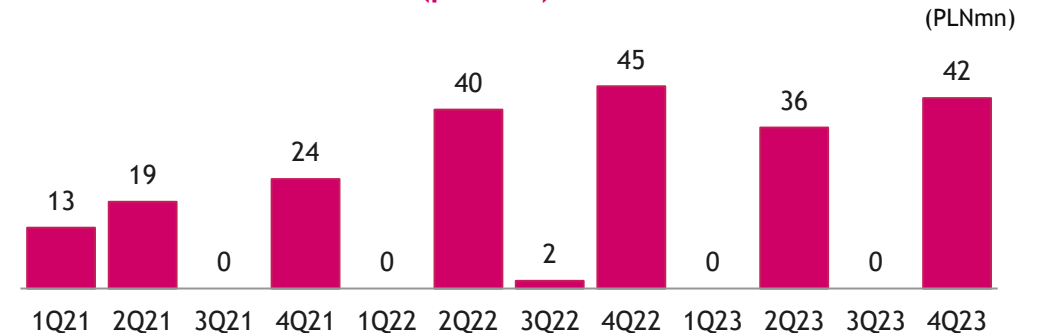
Cost of risk



Impaired loans (IFRS9 stage 3 & POCI)



Result from sale of NPLs (pre-tax)

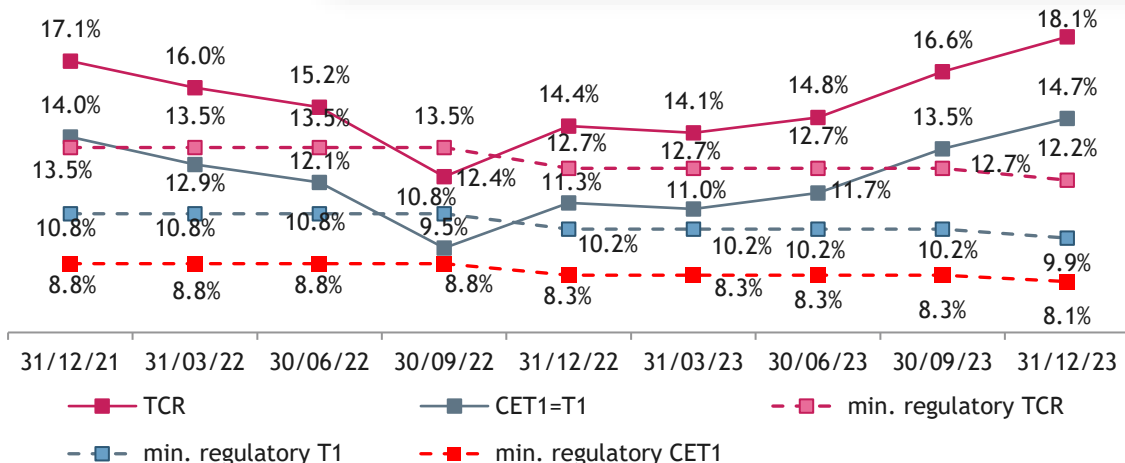


CAPITAL RATIOS, MREL REQUIREMENTS AND LIQUIDITY

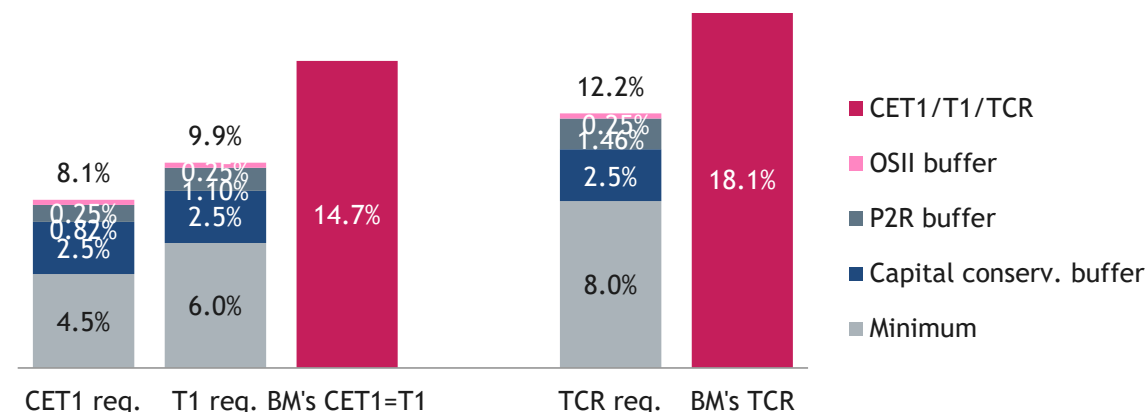
Capital adequacy ratios improved further, widening the surplus above regulatory thresholds. YE23 MREL requirements met.

Group capital ratios

- Widening capital surplus (4.8/5.9 ppt of T1/TCR surplus)
- Unprecedented organic rebuilding of capital ratios since Sept'22

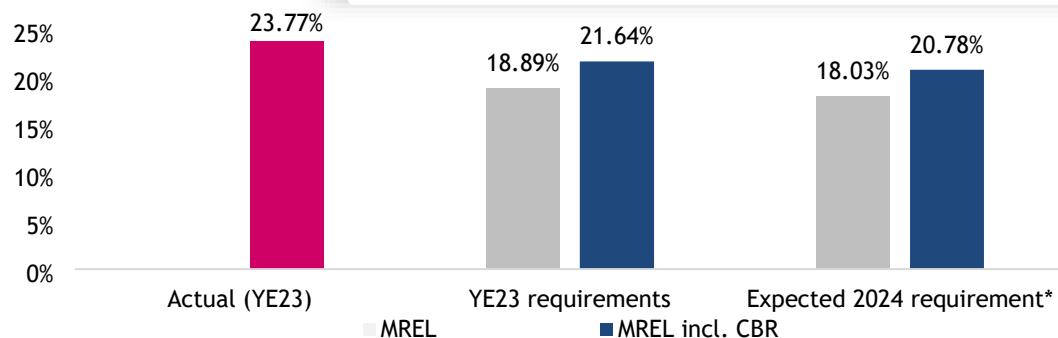


Capital requirement vs. actual ratios as on 31 Dec. '23 (Group)

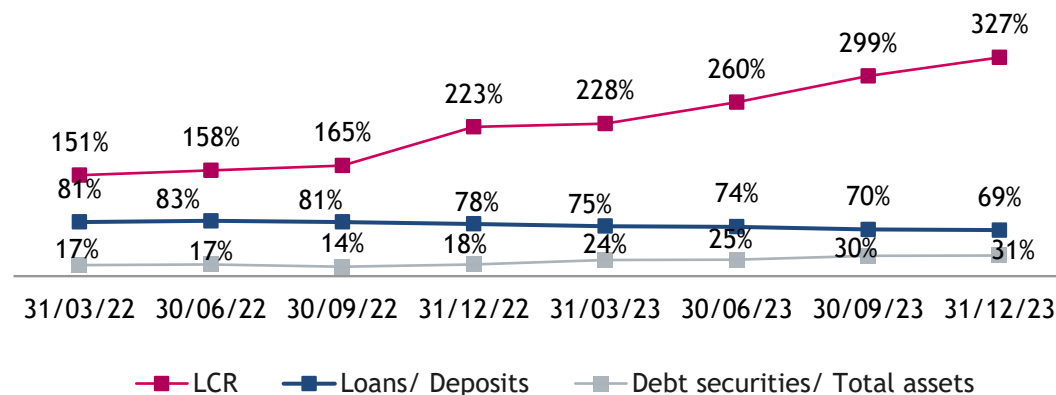


MRELtrea

- YE23 MREL requirements met
- The Bank expects its MREL requirements to drop in 2024



Liquidity indicators



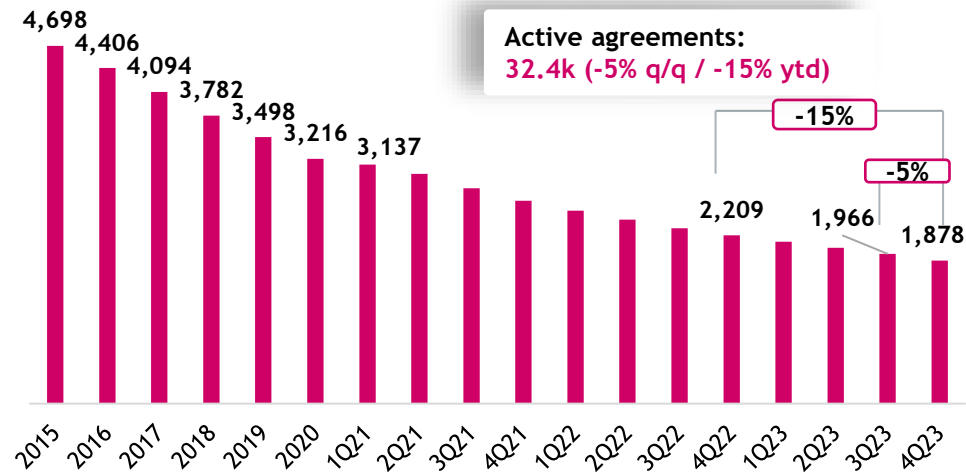
(*) reflects the recent P2R drop by 48bp to 1.46%

FX-MORTGAGE PORTFOLIO (1/2)

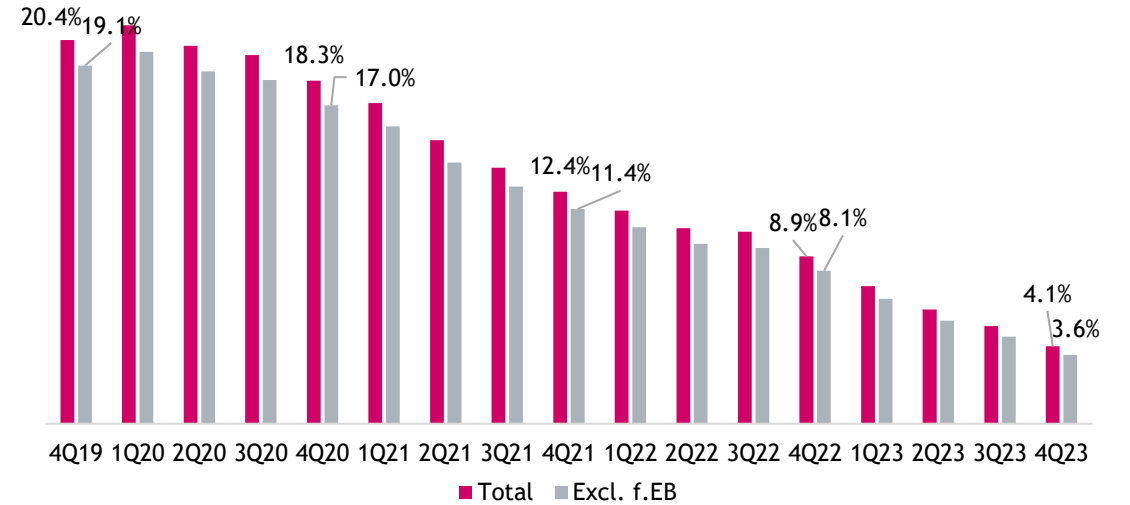
Maintained fast pace of FX-mortgage portfolio's downsizing

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

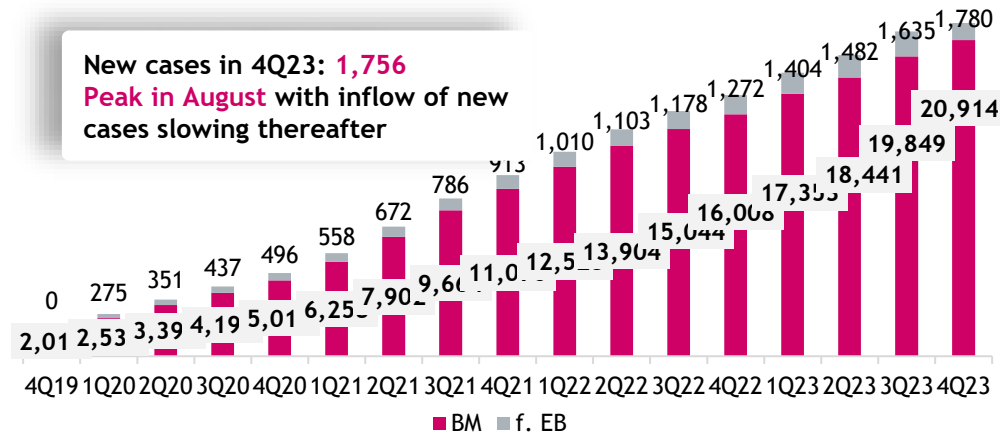
(CHFmn)



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

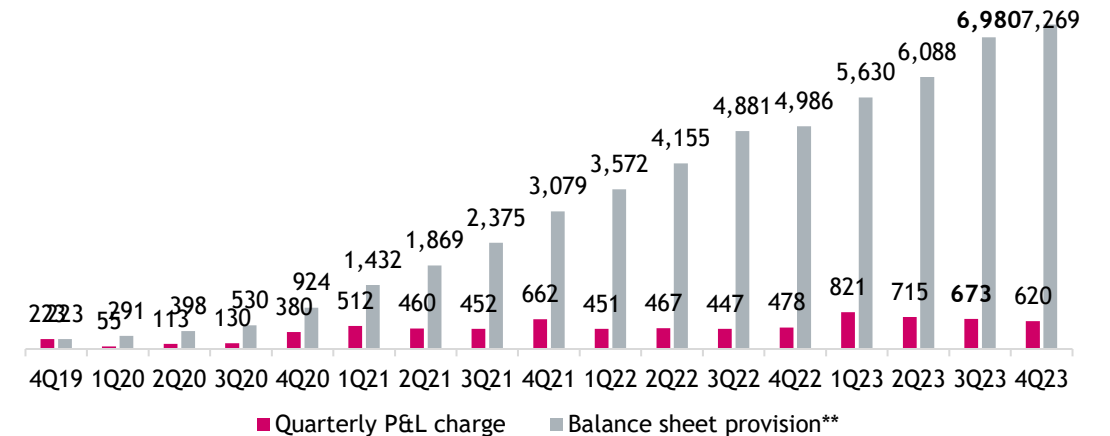


Individual indexation lawsuit cases (active)



Provisions against legal risk*

(PLNmn)

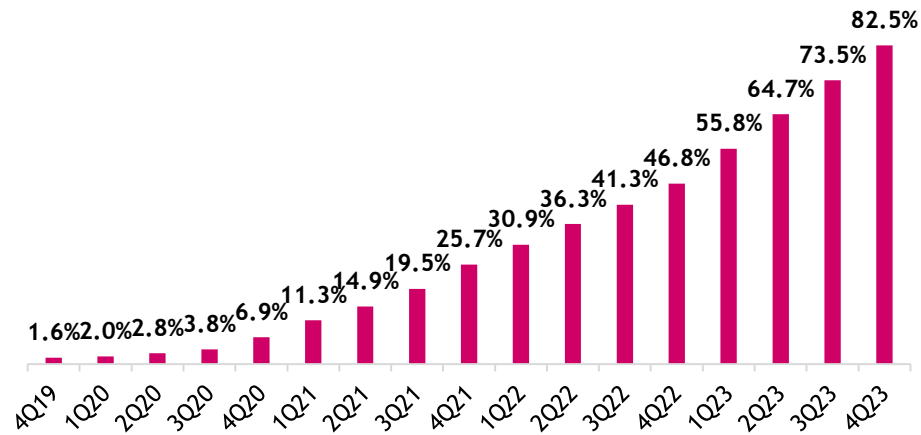


(*) Excluding f.EB, (**) actual outstanding B/S provisions; may differ from the sum of P&L charges due to FX movements and utilisations among others

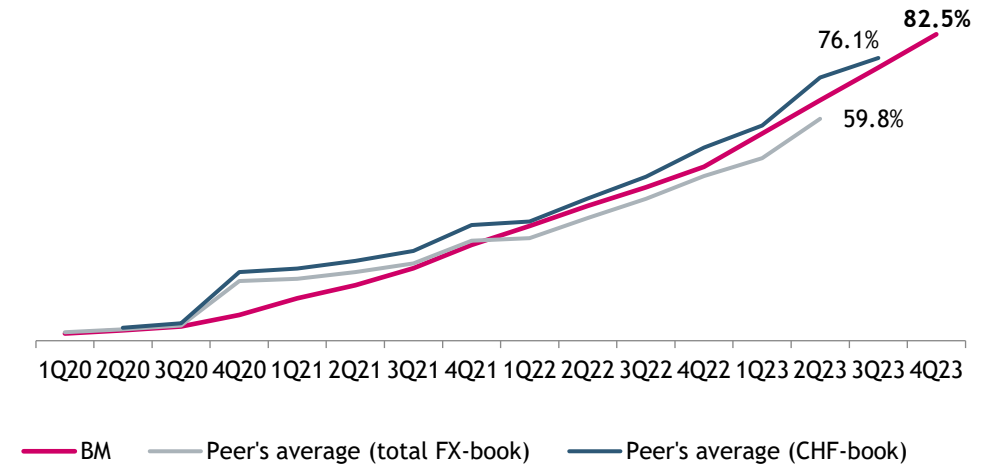
FX-MORTGAGE PORTFOLIO (2/2)

Number of amicable settlements to date exceeded 21k, equivalent of 35% of active agreements at YE19

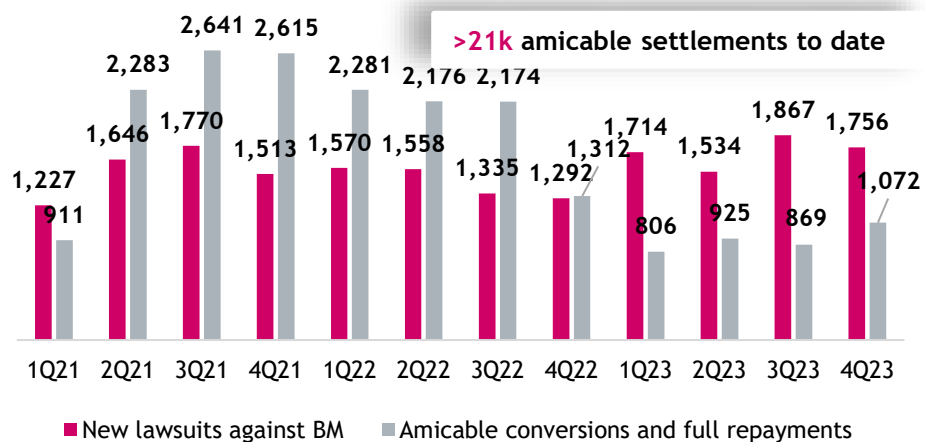
Provisions against legal risk as % of FX-mortgage book*



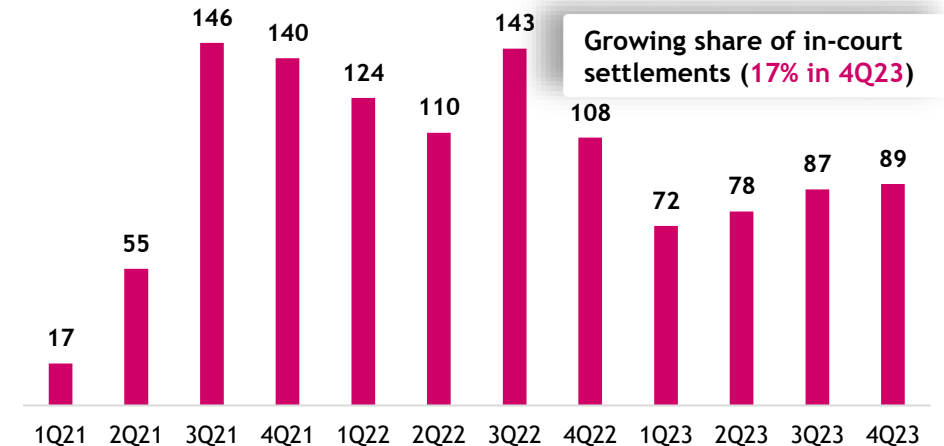
Legal risk provisions/outstanding FX-mortgage book** (% of gross loans)



New lawsuits*** vs. amicable settlements (#)



Costs of amicable settlements (PLNmn, pre-tax)



(*) Excluding f. EB, (**) peers average with provisions for settlements, (***) includes cases originally in class-action suit



PRELIMINARY 4Q23/2023 RESULTS

Business development

BUSINESS HIGHLIGHTS OF 2023

Good dynamics of deposits and customer acquisition despite deceleration in lending. RWA management in focus.

Customer deposits

+9% y/y

Retail customer funds

+13% y/y

Cash loan sales in 2023

+16% y/y

Payment cards

+140k y/y

Active retail customers

3mn; +116k y/y

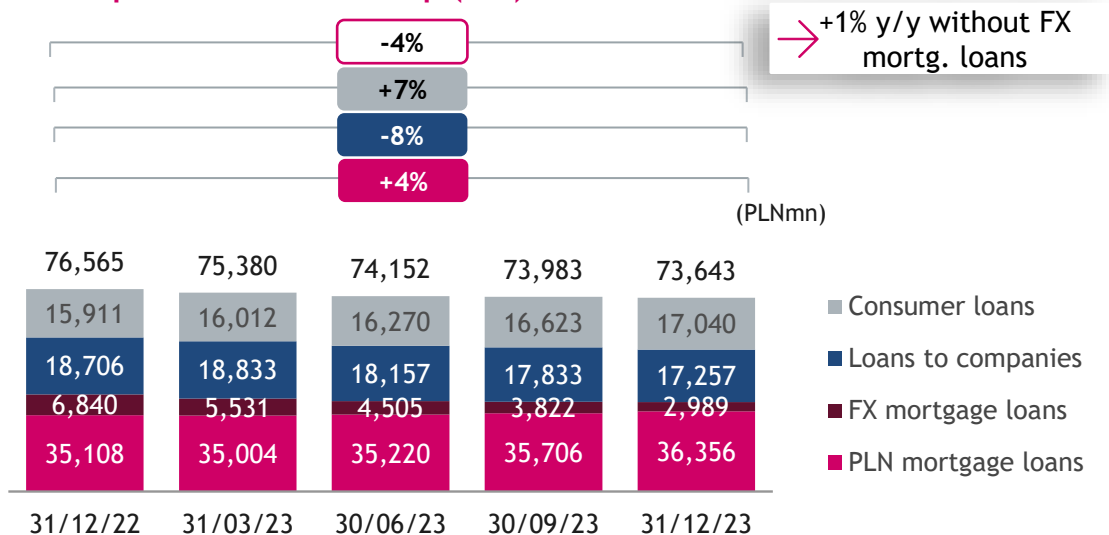
Active digital customers

2.7mn; +182k y/y

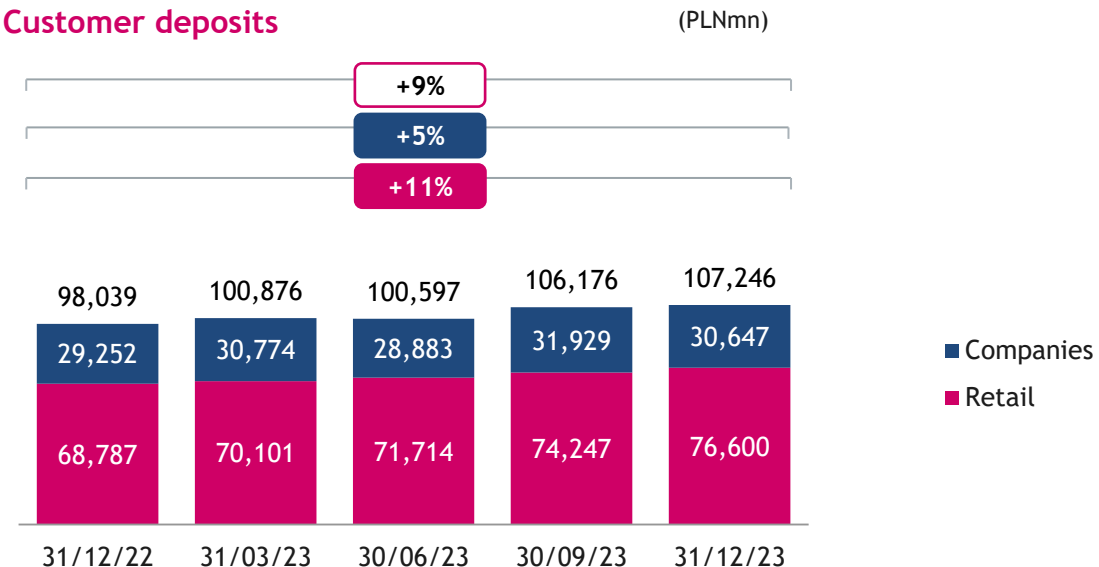
LOANS AND CUSTOMER FUNDS

Slowing contraction in corporate loans, consumer loans +7% y/y. Growth in deposits +9% y/y driven by retail segment.

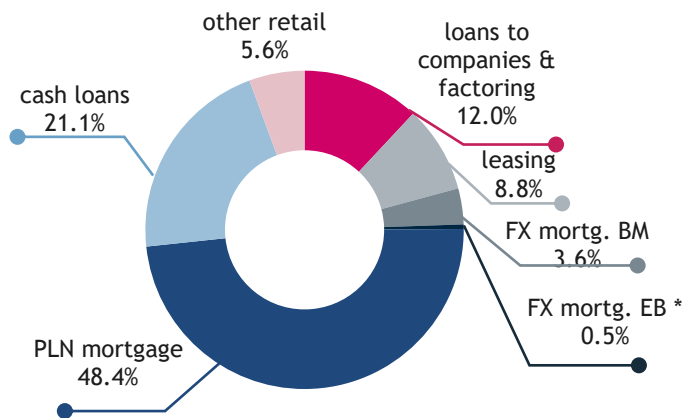
Loan portfolio of the Group (net)



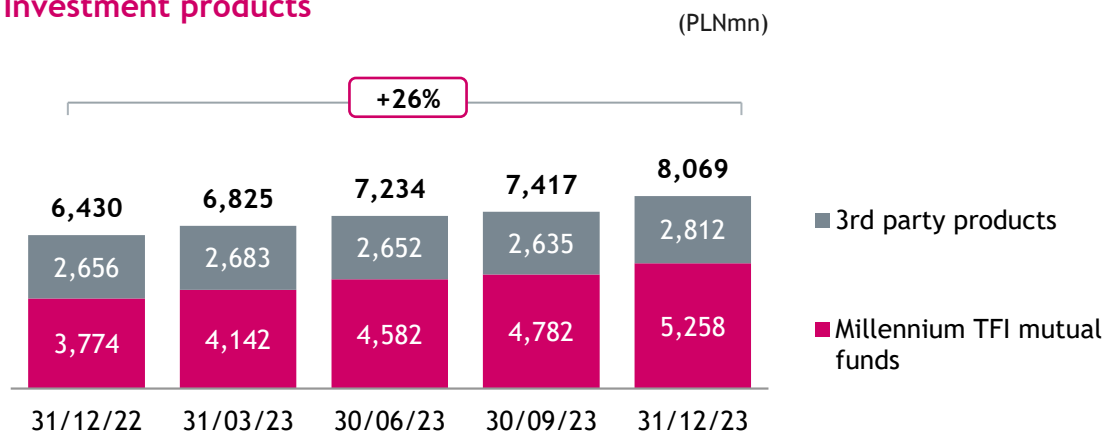
Customer deposits



Structure of loan portfolio (gross)**



Investment products



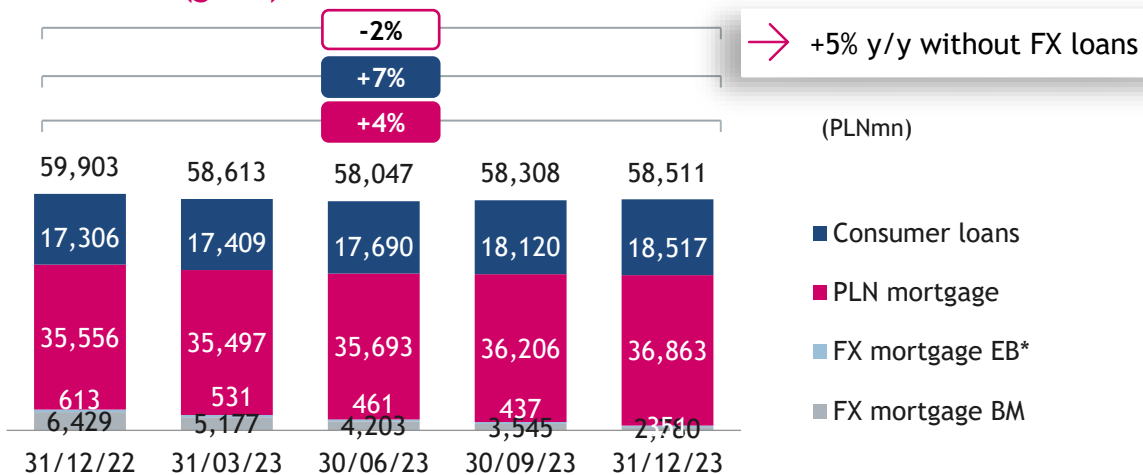
(*) Covered by SocGen guarantee and indemnity

(**) Net of legal risk provisions

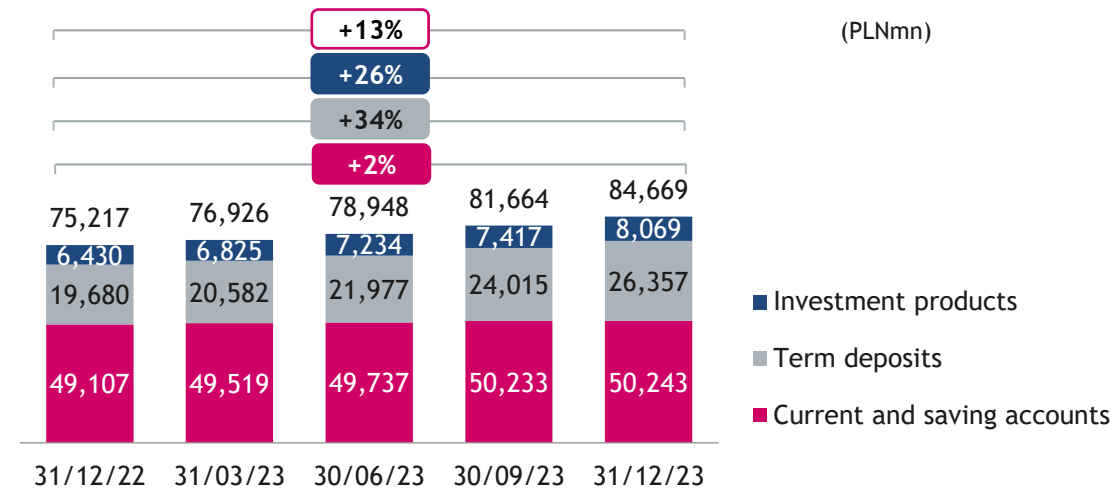
RETAIL BUSINESS - LOANS AND CUSTOMER FUNDS

Growing consumer loans while decelerating growth in PLN mortgages. Deposits grew by solid 11% y/y.

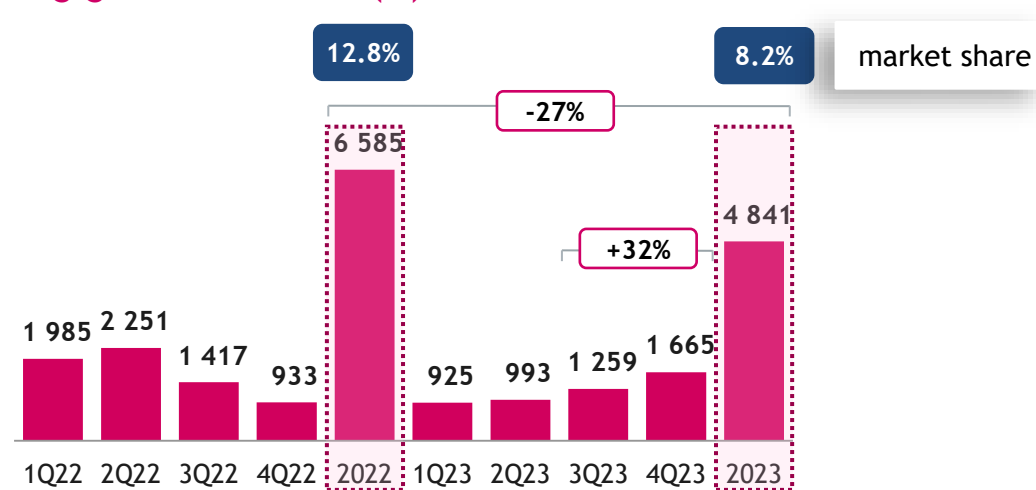
Retail loans (gross)



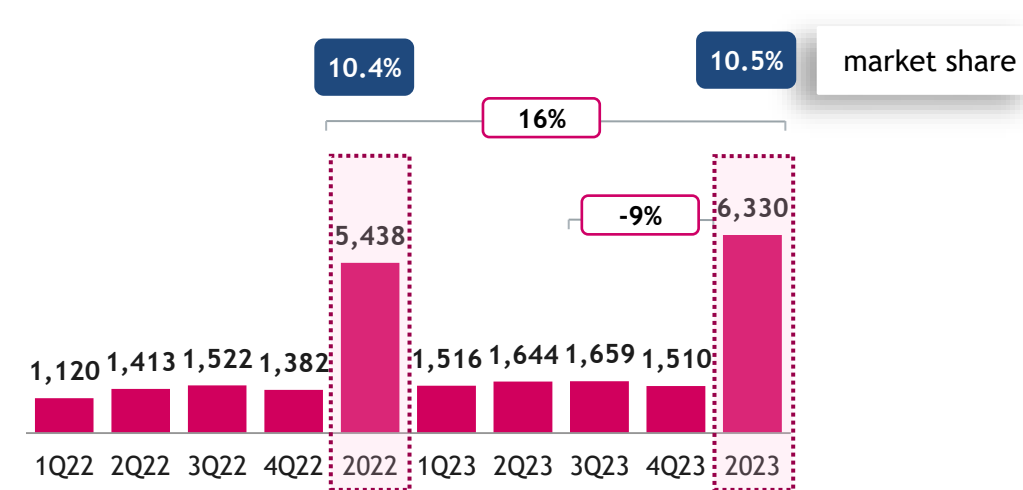
Retail customer funds



Mortgage loans new sales (**)



Cash loans new sales

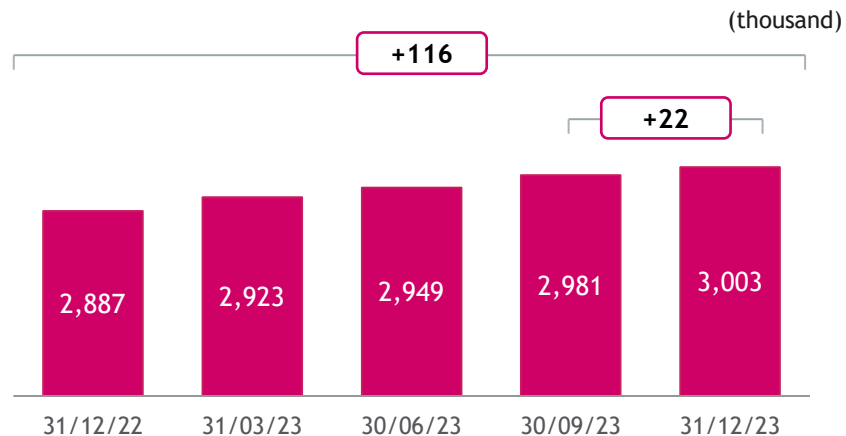


(*) Loans originated by f. Euro Bank - covered by 100% indemnity and 80% guarantee agreement with SocGen
 (**) Disbursements; market share as % in value of new agreements

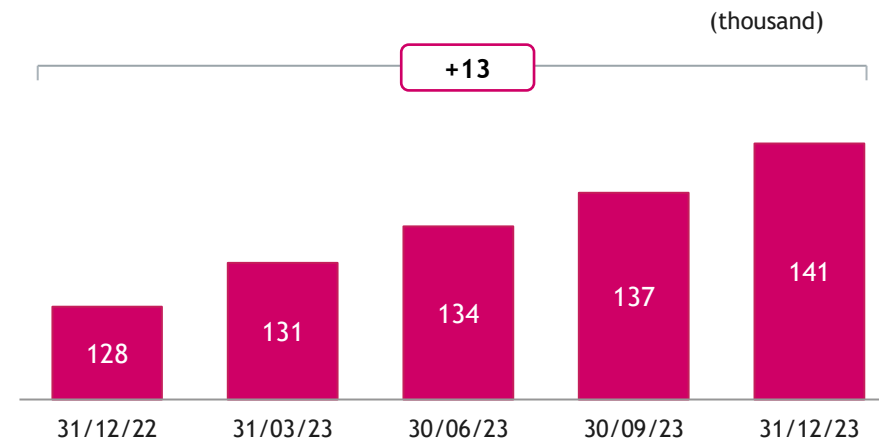
RETAIL BANKING - NUMBER OF CUSTOMERS AND ACCOUNTS

Considerable growth of new customers, cards and accounts. The target of 3 mn active clients achieved ahead of the plan.

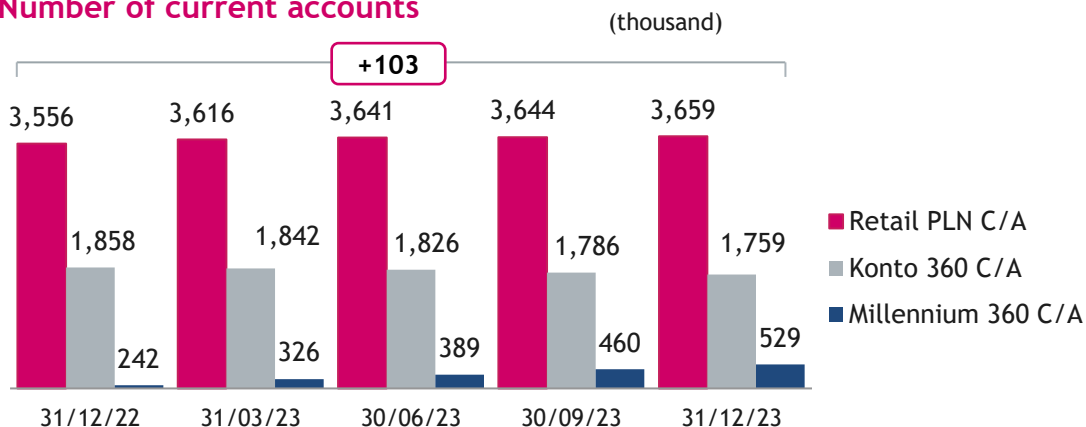
Active retail clients



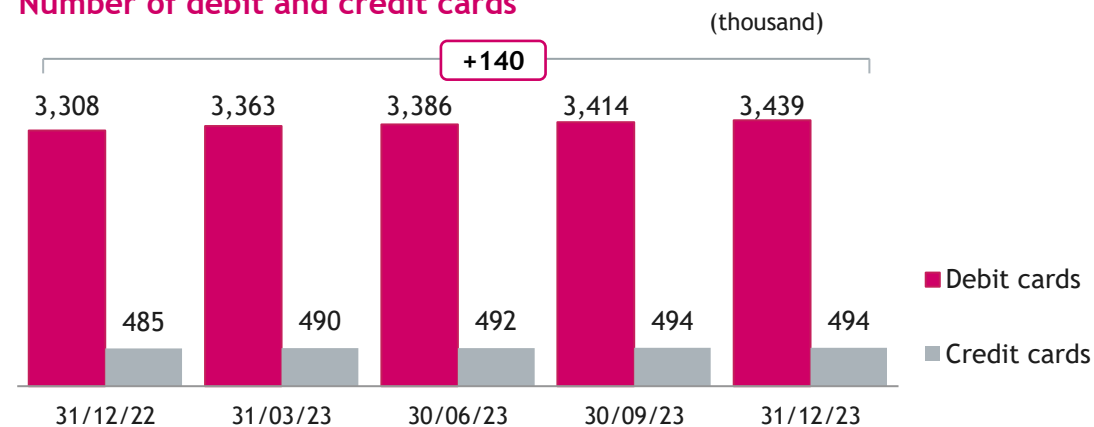
Active micro-business clients



Number of current accounts



Number of debit and credit cards



DIGITAL USERS

Speed, convenience and security of digital channels determine the success of digitalisation



2.7mn

Active digital users*
(+7% y/y)



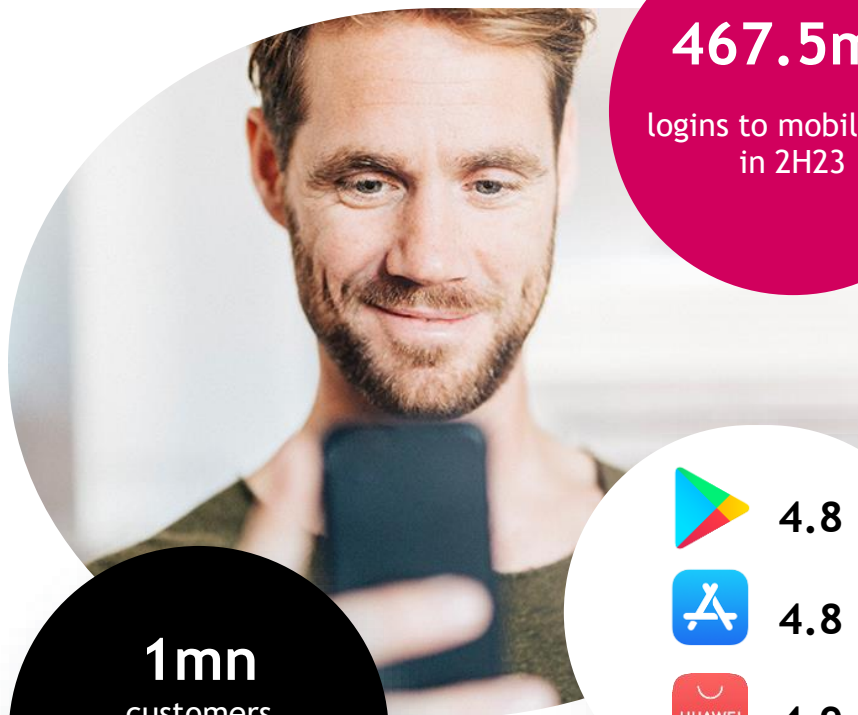
2.47mn

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



1.9mn

BLIK users in 2H23
(+22% y/y)



467.5mn

logins to mobile app
in 2H23



4.8



4.8



4.9

1mn
customers
monthly use
BLIK P2P
transfers

FOCUS ON CYBERSECURITY

- ✓ New operations that can be confirmed by biometrics in the mobile app
- ✓ Additional preventive mechanisms in digital channels, which helped reduce the number of frauds
- ✓ Pilot of a new method of two-way verification during a phone call between a customer and a bank employee (notification in the mobile app)
- ✓ Technical safeguards in the mobile app that prevent recording sessions via remote desktop software
- ✓ Online banking login page refreshed
- ✓ Regular educational campaigns to digital users

DIGITAL SALES

We expand accessibility to daily banking services, credit, deposit and investment products



CASH LOANS

81%

Digital share in cash loan sales in 4Q23



CURRENT ACCOUNTS

41%

Digital share in current accounts acquisition in 4Q23



TERM DEPOSITS

95%

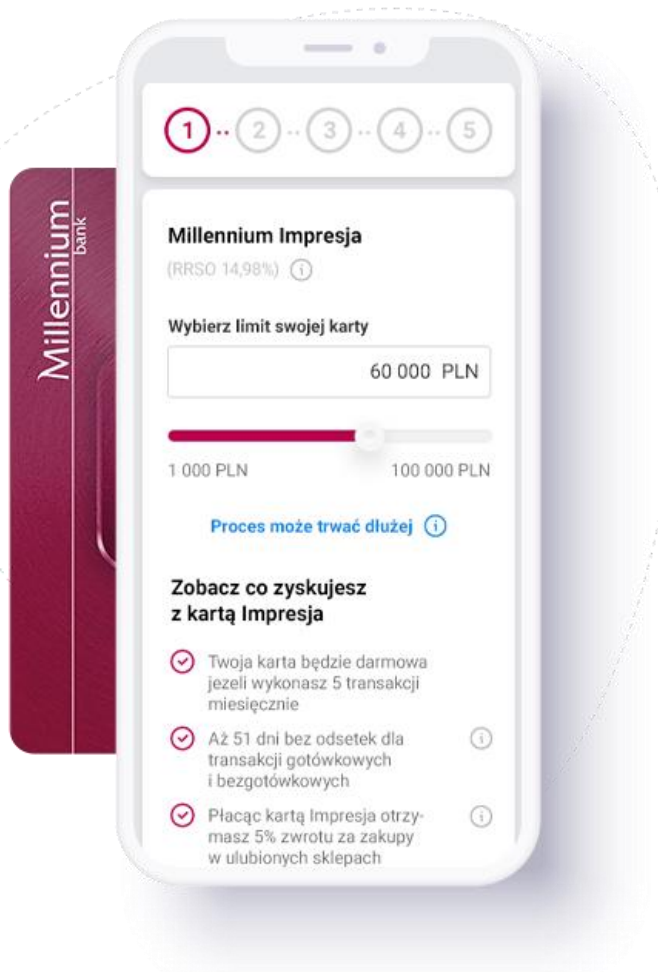
Digital share in term deposit sales in 4Q23



INVESTMENTS

90%

Digital share in investment products sales in 4Q23



ONLINE PROCESSES FURTHER DEVELOPMENT

- ✓ Changes to omni-channel credit card application process - support for customer at every stage of the process
- ✓ Improvements in investment products
- ✓ Ability to order a mortgage loan disbursement in digital channels without visiting the branch

DAILY PAYMENTS

We are where our customers are, so we offer convenient and secure payment methods

MOBILE PAYMENTS

The Bank's customers can choose from a variety of cardless and wallet-free payment methods using their phone, watch or wristband.

As of June 2023, the Bank's customers can add their cards to Google wallet. This is another option for convenient payments at Bank Millennium in addition to the already available BLIK contactless payments, Apple Pay, Garmin Pay, Fitbit Pay and card tokenization directly in the bank's app using HCE technology.

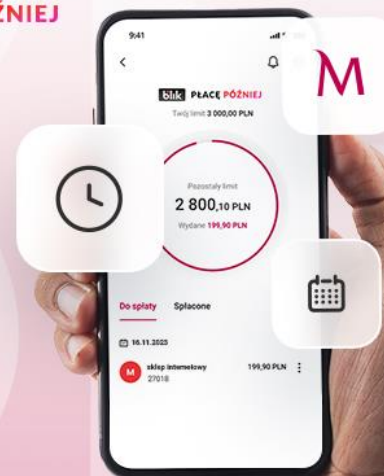
In 2023, the Bank's customers gained access to more than 5,000 deposit machines of Euronet and Planet Cash networks in Poland. The deposited cash is credited to the account in real time.

CONVENIENT SEARCH ENGINE

The new search engine allows a user to specify precise search criteria and filters. This makes it even easier to find a transaction, even if the customer can't remember which card or account it was ordered from. The search engine also analyses transactions on accounts at other banks aggregated under open banking. The option can already be used in Millenet and we are gradually launching it in the mobile app.

BNPL PAYMENTS and P2P TRANSFERS

We are finalizing the pilot of BLIK Pay Later solution, which we launched together with Polish Payments Standard (PSP) as the first bank in Poland a few months ago. The service will soon be made available to a wide range of customers.



In 2023, customers gained additional BLIK services based on P2P transfers. They can more easily settle accounts with relatives and friends thanks to the BLIK transfer request and the split the bill feature.

+55%
in number of
P2P transfers
in 2H23 vs.
2H22

GOODIE - PLATFORMA SMARTSHOPPINGOWA BANKU MILLENNIUM

New functionalities and promotions for cashback users



4Q23:



70% increase y/y

of all main parameters connected with users and transactions



295% increase y/y in term of active users

and 460% increase y/y in the number of transactions in the service „Zwroty za zakupy”



Integration with Onet Poczta

Direct access to goodie from the e-mail box, wide communication to email users



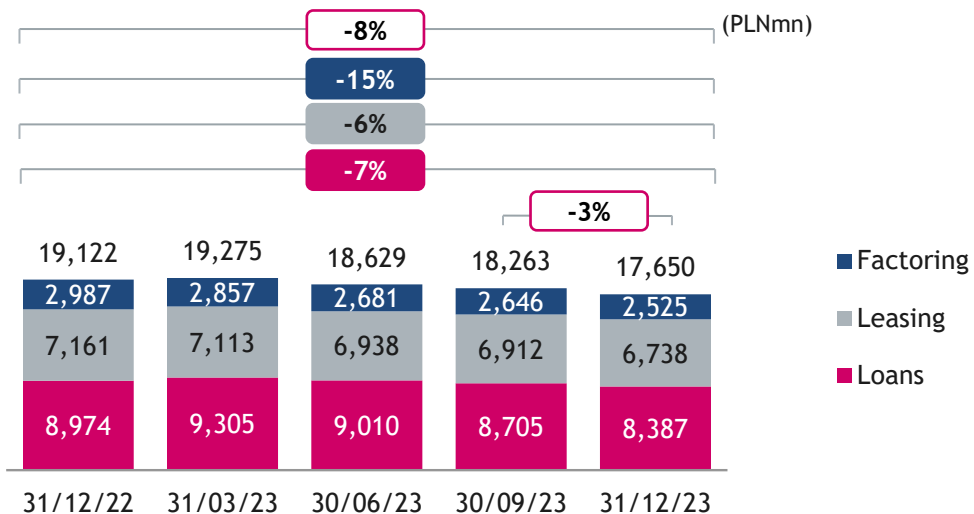
goodie cashback plug

Introducing the plug for the internet browsers

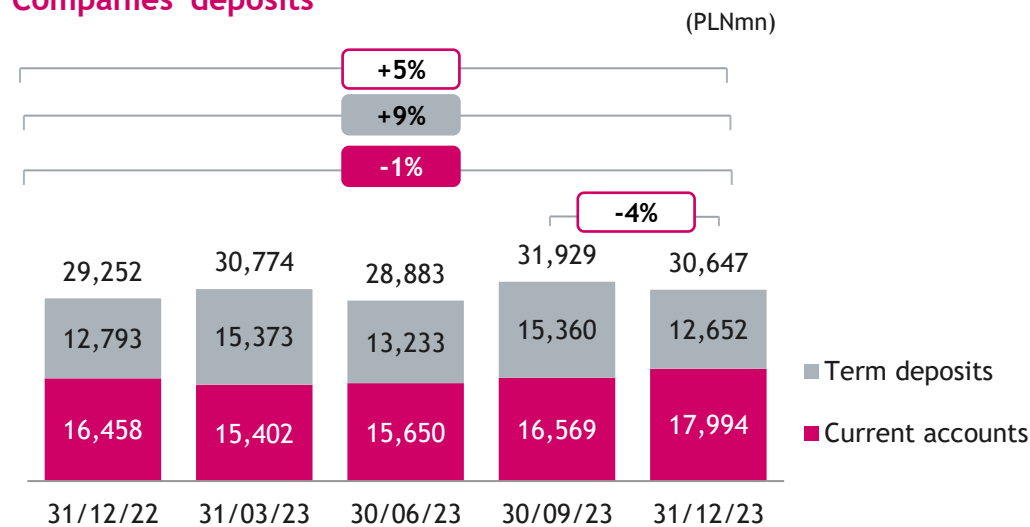
COMPANIES BUSINESS - DEPOSITS AND LOANS

Contraction in corporate loan portfolio due to strict RWA management. Corporate deposits grew +5% y/y. Wider focus on SME

Loans to companies (gross)



Companies' deposits

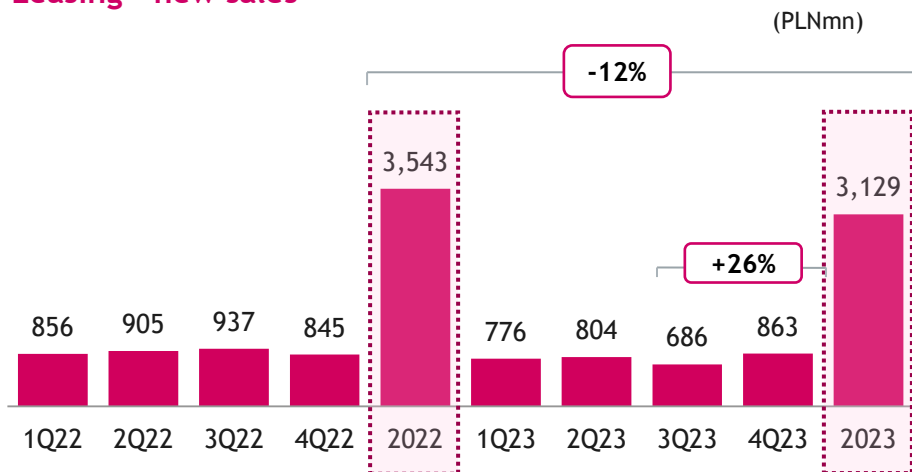


- ✓ **Loan portfolio contracted** 8% y/y due to focus on RWA optimisation. High utilisation of BGK guaranties and targeting mostly SME customers. Current stock of BGK guaranties at level of PLN4.0bn.
- ✓ Growth of companies' **deposits** +5% y/y. Maintained balanced mix of CA/TD.
- ✓ Gradual improvement **in transaction activity**. Higher volumes of **treasury transactions**. **FX transactions** up 21% y/y, **domestic transfers** up 1% y/y.
- ✓ **New guarantee programs signed with BGK and KUKI**, to be fully operational during 2024:
 - ✓ FENG guarantees (biznesmax plus and ecomax) to support innovative and eco projects. Both guarantees are free of charge and can secure up to 80% of the underlying exposure. SME customers may benefit also from subsidies up to 20% of the loan.
 - ✓ Guarantees for exporters to support investments, working capital and factoring transactions - securing up to 80% of the underlying credit capital amount.
- ✓ **Securitisation of leasing receivables** in the amount of PLN4bn.

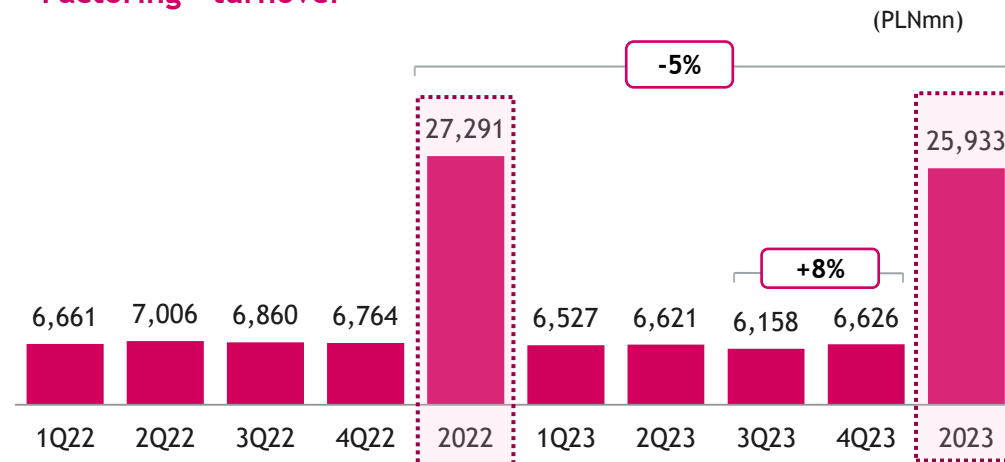
COMPANIES BUSINESS - LEASING, FACTORING AND TRANSACTIONS

Leasing and factoring contracts revived in 4Q23 despite tight RWA management. Visible growth of transactions in 4Q23.

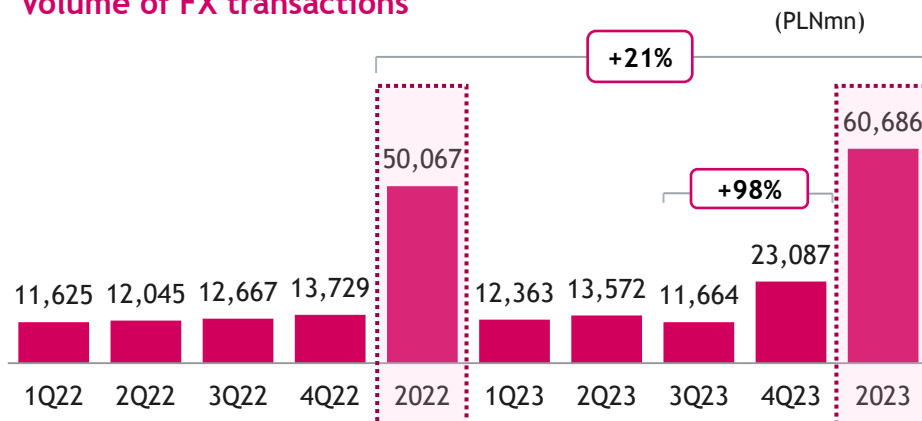
Leasing - new sales



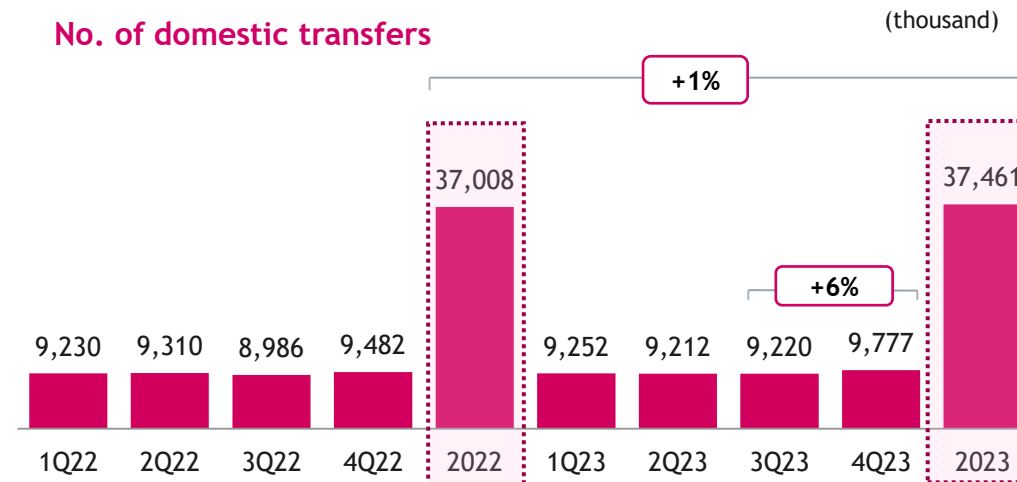
Factoring - turnover



Volume of FX transactions



No. of domestic transfers



NEW PRODUCTS IN THE OFFER FOR CORPORATE BANKING CLIENTS

We are developing the mobile application and introducing new guarantee programmes

MOBILE APPLICATION FOR COMPANIES

In the brand new mobile application, which we implemented in May, we are introducing new functionalities



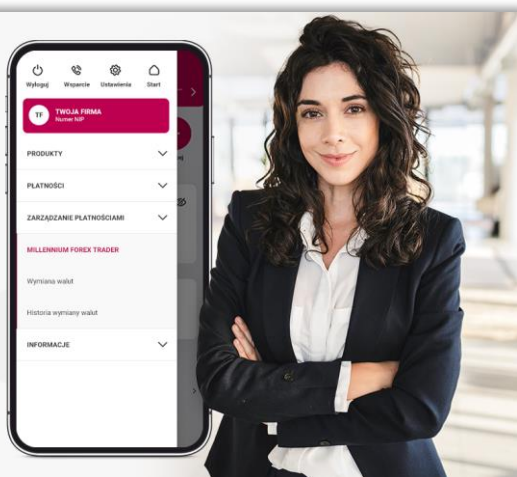
4.6



4.3

Almost 50 k

domestic transfers ordered in the mobile app in December 2023



Novelties in Bank Millennium for companies mobile app



We expanded the mobile app with **Millennium Forex Trader** - a currency exchange trading platform. Thus, traders can monitor the current price levels for selected currency pairs online and make transactions on their own.



We introduced **PUSH Notifications** in transfers for authorization. Thanks to the available functionality, users can receive notifications, i.a., about new transactions waiting for authorization or rejected transactions.

DIGITALISATION

70%

of FX transactions are concluded through Millennium Forex Trader Platform

62%

of guarantees were issued by us in electronic form (e-guarantee)

89%

of customers use eBOK website for leasing service

Every third company using Millenet for Companies has a mobile application.

Biznesmax Plus and Ecomax GUARANTEES

In December 2023, we signed a new agreement with Bank Gospodarstwa Krajowego for portfolio guarantees offered under the European Funds for Modern Economy (FENG) programme. There will be two guarantees offered as part of the agreement: Biznesmax Plus and Ecomax.

The financing offer with the above guarantees will be made available in Q1 2024.

AGREEMENT WITH KUKE

We signed an agreement with KUKE for guarantees for loans and factoring transactions supporting the development of exports in enterprises.

The agreement allows KUKE to guarantee the repayment of up to 80% of the value of loans granted by the Bank to exporters for their investments undertaken in Poland.



PRELIMINARY 4Q23/2023 RESULTS

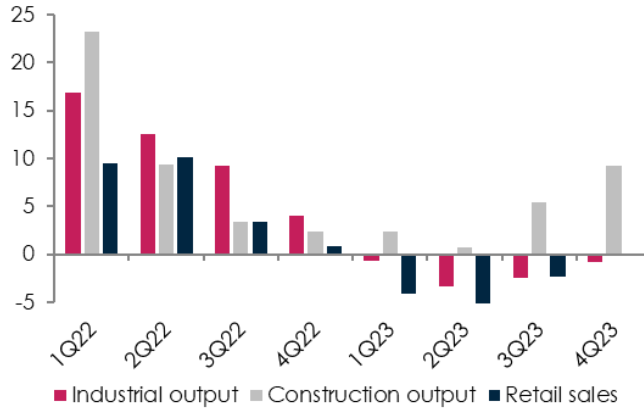
Appendices

MACROECONOMIC OVERVIEW

Economy

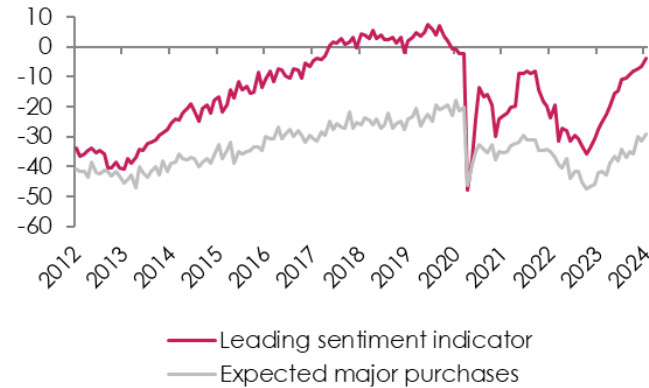
Data from real economy

(% y/y)



Consumers' sentiment indicators

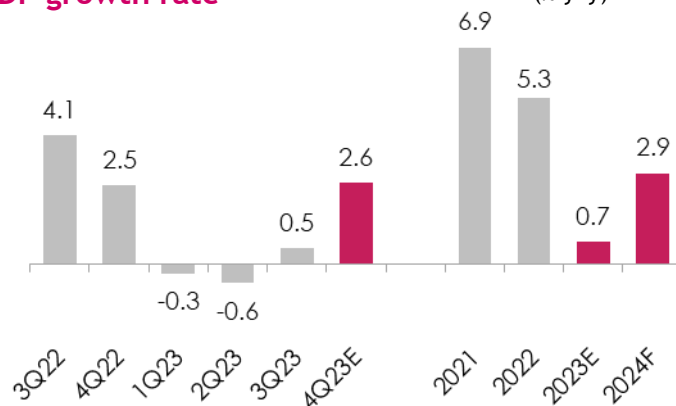
(pts)



According to the Bank's estimates, GDP growth accelerated in 4Q23 to 2.6% y/y from 0.5% y/y in 3Q23. Throughout 2023, GDP increased by ca. 0.7%. Despite the slowdown in 2023, unemployment remained low and wage growth was high. In 4Q23, CPI inflation decreased to 6.4% y/y from 9.7% y/y in 3Q23 and throughout entire 2023 to 11.4% y/y from 14.4% y/y in 2022. The Monetary Policy Council, after lowering interest rates in Sep-Oct'23 by a total of 100 bps, kept them unchanged. The prospects for the Polish economy remain optimistic - in 2024, inflation is expected to be lower than in 2023, and economic growth should be faster. In 2024, according to the Bank, there will be limited room for interest rate cuts.

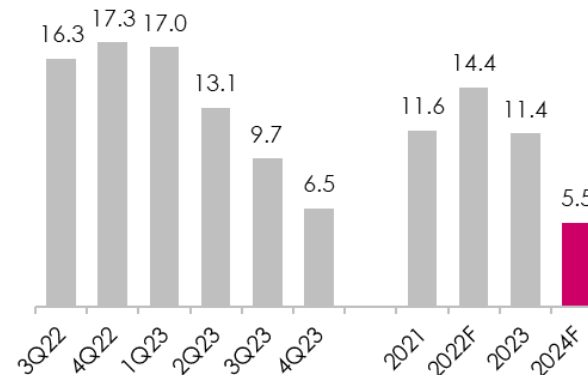
GDP growth rate

(% y/y)



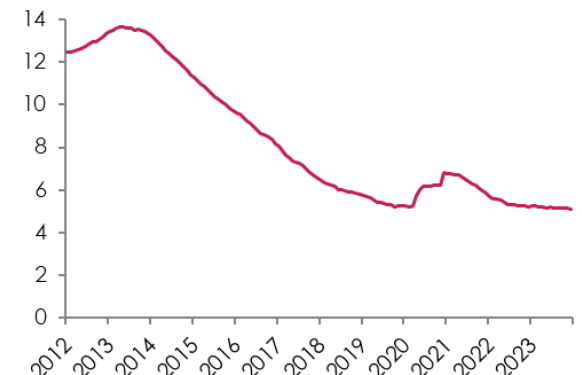
CPI inflation

(% y/y)



Registered unemployment rate

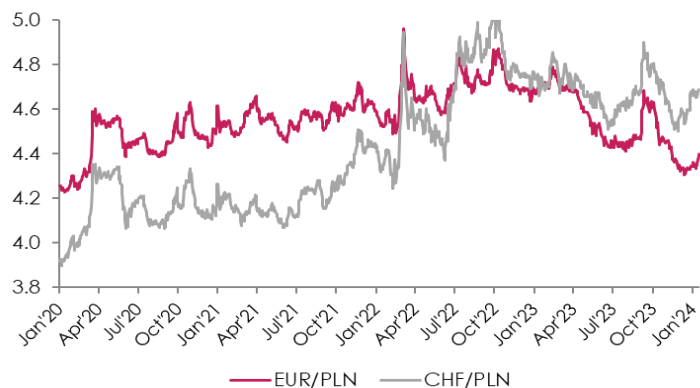
(%)



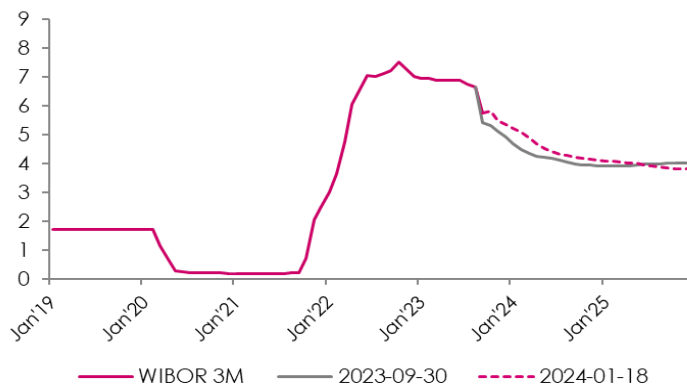
MACROECONOMIC OVERVIEW

Financial markets

Evolution of FX rates

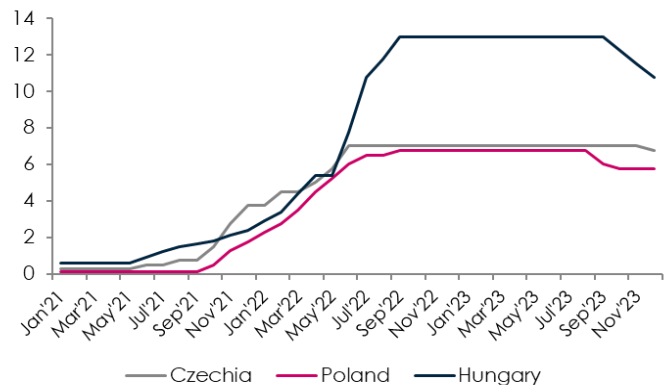


WIBOR 3M and market expectations (%)

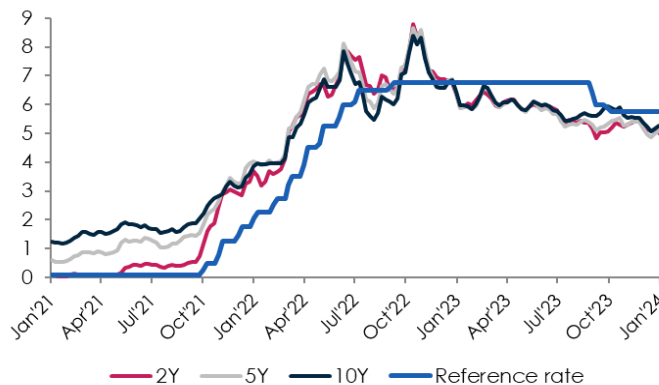


After aggressive rate cuts in September and October 2023 the Monetary Policy Council switched to a wait-and-see mode. A less dovish MPC rhetoric and an outcome of parliamentary elections in Poland changed market sentiment and Zloty started to gain. In the meantime, the EUR/USD reversed from nearly year's low, which additionally supported the Zloty and other CEE currencies. As a result, the EUR/PLN dropped to even 4.29 - the lowest level since 2020.

Official interest rates in CEE-3 countries (%)



Polish T-bonds yields (%)



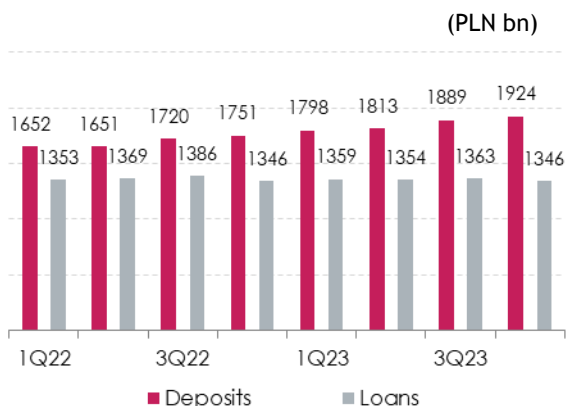
Spread of Polish 10Y bond to 10Y German benchmark (%)



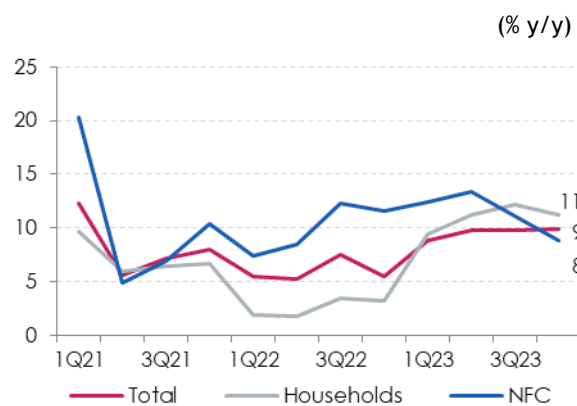
MACROECONOMIC OVERVIEW

Deposits and loans in economy

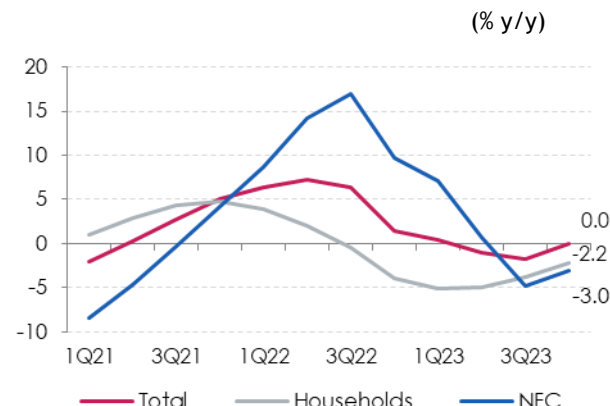
Total deposits and loans



Growth rate of deposits

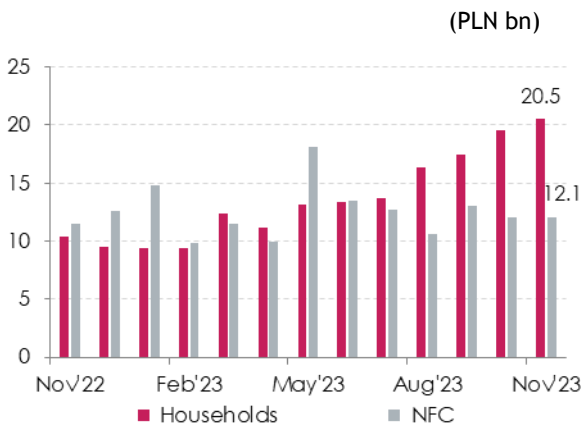


Growth rate of loans

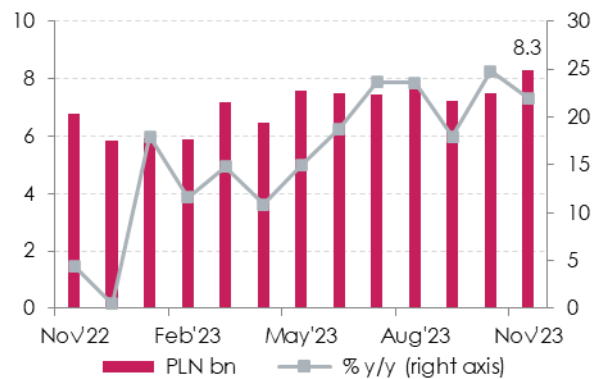


In 4Q23, the value of deposits in the banking sector increased, mainly those of households. Corporate deposits also increased, although on a smaller scale. The value of credit in the economy decreased compared to 3Q23, although in 4Q23 the annual growth rate of credit was no longer negative.

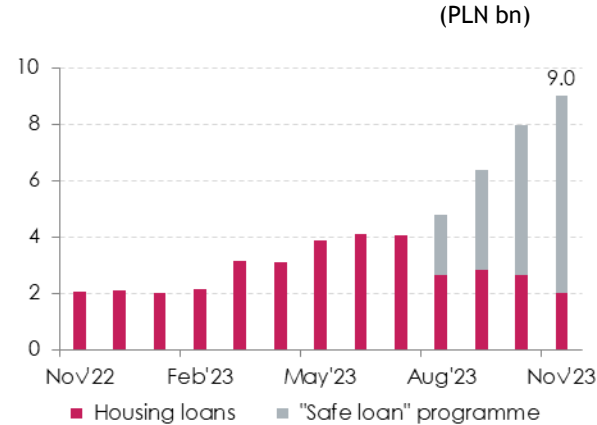
Originated loans



Originated consumer loans



Originated housing loans



In 4Q23, the value of newly granted loans to households, both consumer and housing, went up. Housing loans' increase was supported by the „2% Safe Credit“ program. The value of newly granted loans to non-financial companies remained stable.

RATINGS AND MARKET RATIOS

In 2023 investor sentiment to banking stocks improved significantly, especially in the 2H23. At the year end, Bank Millennium share price outperformed WIG Banks index.

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

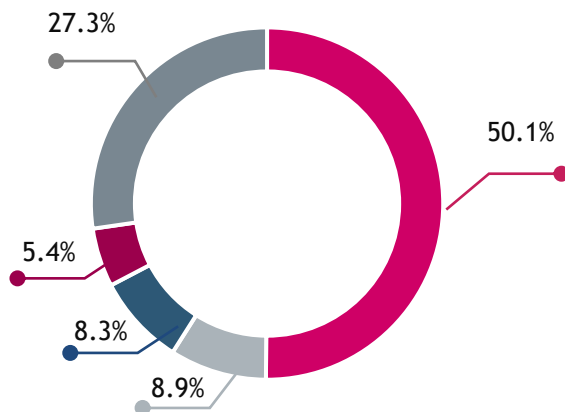


No of shares: 1 213 116 777 (listed 1 213 008 137) Listed: on Warsaw Stock Exchange since August 1992

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 March 24th, 2023 Moody's rating agency confirmed Bank's long- and short-term deposit ratings at Baa3/P-3 and its (P)Ba2 junior senior unsecured MTN program ratings with negative outlook. The Bank's BCA was downgraded to ba3 from ba2 and Adjusted BCA was confirmed at ba2.

On July 13, 2023 Fitch rating agency affirmed the Bank's Long-Term Issuer Default Rating (IDR) and Local Currency Long-Term IDR (LC LT IDR) at 'BB' and additionally revised to 'Positive' from 'Stable' outlooks for these ratings

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
Outlook of rating	LTR negative outlook	Positive outlook
Short term IDR	Prime-3	B
Standalone BCA	ba3	
Viability		bb
CR rating	Baa2/Prime-2	
Shareholder support rating (SSR)		b+

ESG ACTIVITIES

UNITED NATIONS GLOBAL COMPACT



United Nations
Global Compact



Global Compact
Network Poland

- Bank Millennium joined **the United Nations Global Compact as a direct participant**, which means an obligation to comply with and implement the Ten Principles of the United Nations Global Compact.
- **Mr. João Bras Jorge**, the Chairman of the Management Board of Bank Millennium, **joined the UN Global Compact Network Poland Programme Board (UN GCNP)**. The Board develops key areas of UN GCNP activities aimed at ensuring effective support of business in attaining UN Sustainable Development Goals.
- Bank Millennium was **awarded for ESG activities by the UN Global Compact** in recognition of:



- involvement in climate protection activities,
- promoting sustainable development,
- effective cooperation within UN GCNP programmes.



BUILDING AWARENESS

"Eco-index Millennium - eco-innovation potential of regions"

- In April 2023, a report on the development of eco-innovation in Poland was issued in an extended version with detailed descriptions of the strengths and weaknesses of individual voivodeships, as well as comments from business representatives, non-governmental organizations, local governments and scientists.
- In November 2023, Eco-index 2023 was released with new statistical data.

Premiere of the "Green Finance in Poland 2023" report, including the article "Green Banking" by Joao Bras Jorge, President of BM, regarding the bank's involvement in activities for sustainable development.

ESG activities related to education:

- For micro-entrepreneurs (already running a business and for future entrepreneurs) under the slogan: "My Little Big Business".
- Webinars: addressed to customers and facilitating their use of pro-ecological products: webinar on technological and ecological credit; building awareness within the CFO club, conferences and industry meetings.
- Activities focused around the EU funds competence center at Bank Millennium.
- Ecological education in cooperation with WWF Poland.



OFFER OF PRODUCTS AIMED TO SUPPORT SUSTAINABLE DEVELOPMENT

Bank Millennium

- Green loans for financing photovoltaic projects,
- Continuation of cooperation with **Bank Gospodarstwa Krajowego** as part of partnership programs:
 - Technological Loan,
 - Ecological Loan.

Millennium Leasing:

- **MilleSun** programme (extended with heat pumps),
- **My Electric** programme,
- Leasing of pro-ecological items - comprehensive financing of as many as 53 groups of green assets.



ESG ACTIVITIES

Rating: **Medium**



Rating: **A**



SUPPORTING CULTURE

Millennium Docs Against Gravity

- The jubilee 20th edition of MDAG took place in cinemas in eight Polish cities and online on the mdag.pl platform.
- 144,483 spectators in both parts of the festival.
- Altogether 190 of the best documentaries from around the world, both short and full-length.



Other cultural activities:

- Inside Seaside Festival, Amber Expo in Gdańsk.
- 52nd International Traditional Jazz Festival.
- Old Jazz Meeting "Złota Tarka" Łąwa, support for the oldest cabaret festival in Poland as part of the 44th Lidzbark Evenings of Humor and Satire.
- "Cultural start-up" - an original program of the Victoria Cultural Center in Gliwice.



SOCIAL ACTIVITY

- During the two-month Our People'23: Save the Planet campaign, Millennium employees collected PLN 250,000 for eco-volunteering for the Bank Millennium Foundation through physical activities.
- As part of eco-volunteering, each employee could take part in a grant competition for the implementation of an ecological project.
- 26 various eco-initiatives were implemented. Eco-volunteering involved a total of 125 volunteers, i.e. employees of Millennium Bank.



THE MOST IMPORTANT AWARDS AND RECOGNITIONS FOR ESG ACTIONS

- Title of European Climate Leader 2023 in the Financial Times and Statista ranking.
- Polityka's CSR Golden Leaf.
- The Millennium Group was recognized for the fourth time in the Bloomberg Gender-Equality index by Banco Comercial Portugues, which achieved the best result so far in 2023.
- Sixth place in the general classification and fifth place in the banking, financial and insurance sector category in the 17th Ranking of Responsible Companies.
- Second place in the Best Employers Poland 2023 ranking in the "Banks and financial services" category.



THE MOST IMPORTANT AWARDS AND ACHIEVEMENTS OF BANK MILLENNIUM in 4Q23

Best digital banking, excellent communication with clients and successes in actions for sustainable development



The 1st place Traditional banking

Bank Millennium is the winner of this year's Newsweek's Friendly Bank ranking, winning in both ranking categories. Bank's winning the "Bank for Kowalski" category was unquestionable. The Bank achieved 90 per cent of the maximum number of points, and in most aspects of the quality of service it had the best or near-best result in the entire group.



The 1st place Remote banking

Bank Millennium has won in the "Remote Banking" category for the second year in a row. Bank was also the undisputed winner in this category, scoring as many as 91 per cent of points. According to the organisers, the bank's advantage over its next rival was over 26 points.



The 2nd place Company-Friendly Bank

Forbes' Company-Friendly Bank is a ranking assessing the quality of service for corporate clients, prepared on the basis of the mystery shopper method. The banks were tested in terms of three profiles of the client-entrepreneur running a sole proprietorship.

AWARDS FOR DIGITAL CHANNELS IN 2023

Our innovative solutions and convenient banking have been recognized in Poland and abroad



1st place in Remote Banking category in 2023 Newsweek's Friendly Bank ranking



Best Digital Bank for Retail Customers in Poland in 2023 as well as 12 other titles in subcategories for solutions for retail, business and corporate clients in Global Finance World's Best Digital Bank ranking



New Bank Millennium for Companies mobile app in finals of 2 rankings: Fintech Awards by Fintek and Banking Tech Awards by Informa



The best multichannel service quality and the best mobile app in 2023 Golden Banker ranking by „Puls biznesu” magazine and Mind & Roses



Best Bank for Digital Solutions 2023 title in Euromoney Awards For Excellence ranking



Process digitization for corporate banking customers in the finals of the Digital Excellence Awards by CIONET



Bank Millennium among winners of Institution of the Year 2023 ranking in categories: Best Mobile App, Best Online Banking, Best Online Process of Current Account Opening



Bank Millennium mobile app in finals of Mobile Trends Awards 2023 in Mobile Banking category

SYNTHETIC P&L ACCOUNT

Preliminary unaudited results

	2022	2023	Change Y/Y	3Q23	4Q23	Change Q/Q
Net interest income	3 337	5 253	57%	1 372	1 284	-6%
<i>Net interest income without credit holidays</i>	4 661	5 263	13%	1 372	1 293	-6%
Net commission income	808	782	-3%	188	190	1%
Other non-interest income	-137	687	-	22	92	315%
Operating Income	4 009	6 723	68%	1 582	1 567	-1%
General and administrative costs	-1 884	-1 781	-5%	-441	-476	8%
Depreciation	-209	-212	1%	-53	-53	-1%
Total operating costs	-2 093	-1 993	-5%	-494	-529	7%
Net cost of risk *	-358	-299	-16%	-59	-68	16%
Other modification	-102	-52	-49%	-5	-11	124%
FX legal risk provision	-2 017	-3 065	52%	-743	-702	-6%
Operating profit	-562	1 312	-	281	256	-9%
Banking tax	-169	0	-100%	0	0	-
Pre-tax profit	-731	1 312	-	281	256	-9%
Income tax	-284	-737	160%	-178	-141	-21%
Net profit	-1 015	576	-	103	115	12%

(*) 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

Preliminary unaudited results

PLNm	31.12.2022	2023.09.30	31.12.2023	Change y/y
ASSETS				
Cash and balances with the Central Bank	9 536	4 581	5 095	-47%
Loans and advances to banks	733	534	793	8%
Loans and advances to customers	76 565	73 983	73 643	-4%
Amounts due from reverse repo trans.	5	2 012	1 163	-
Debt securities	20 471	38 823	41 009	100%
Derivatives (for hedging and trading)	475	550	572	21%
Shares and other financial instruments	153	135	148	-4%
Tangible and intangible fixed assets	1 009	1 008	1 047	4%
Other assets	1 994	2 284	2 049	3%
TOTAL ASSETS	110 942	123 909	125 520	13%
LIABILITIES AND EQUITY				
Deposits and loans from banks	728	428	564	-23%
Deposits from customers	98 039	106 176	107 246	9%
Liabilities from repo transactions	0	571	0	-
Financial liabilities at fair value through P&L and hedging derivatives	940	1 093	773	-18%
Liabilities from securities issued	244	2 862	3 318	1261%
Provisions	1 016	1 204	1 445	42%
Subordinated liabilities	1 568	1 563	1 565	0%
Other liabilities	2 914	3 366	3 714	27%
TOTAL LIABILITIES	105 448	117 263	118 625	12%
TOTAL EQUITY	5 494	6 646	6 895	25%
TOTAL LIABILITIES AND EQUITY	110 942	123 909	125 520	13%

INVESTOR RELATIONS CONTACT:

Head of Investor Relations

Dariusz Górski

Tel: +48 514 509 925, +48 22 598 1115

e-mail: dariusz.gorski@bankmillennium.pl

Katarzyna Stawinoga

Tel: +48 22 598 1110

e-mail: katarzyna.stawinoga@bankmillennium.pl

Marek Miśków

Tel: +48 22 598 1116

e-mail: marek.miskow@bankmillennium.pl



www.bankmillennium.pl



[Kanał na YouTube](#)



[@BankMillennium](#)

Next events:



10.05.2024 – 1Q24 results

26.07.2024 – 1H24 results

(publication in the afternoon but conference on 1H24 results will be held on 29.07.2024)

29.10.2024 – 3Q24 results