

Millennium
bank

Bank Millennium Group Preliminary unaudited 4Q24/2024 results

January 31, 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. **FY2024 results presented in this presentation are preliminary and unaudited.** Publication of audited FY2024 results is scheduled for February 24, 2025.*

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.



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01

Financial performance

Preliminary unaudited
4Q24/FY2024 results



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

Main financial achievements in 4Q24/2024

Reported net profit growth of 25% y/y in 2024 despite cost of credit holidays and costs related to FX-mortgage portfolio. Solid core profitability and efficiency. Strong asset quality, liquidity and capital.



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PROFITABILITY

- Considerable growth of reported FY24 net result: **PLN719mn (+25% y/y)**; net profit excluding extraordinary events at PLN3,202mn (+7% y/y)
- **Strong NII** which **grew 7% y/y in FY24** and 1% q/q in 4Q24, with FY24/4Q24 NIM at 4.35% (w/o credit holidays impact)
- **FY24 core income growing 6% y/y** (w/o credit holidays impact)
- **Cost-to-income ratio** (adjusted) at **30.8%** (reported: 37.6%)
- Cost of credit risk at **40 bps**
- **NPL** ratio at **4.5%**



CAPITAL & MREL

- **Solid levels of capital ratios** – cons. Tier1 / TCR ratios at 15.1% / 17.6%; comfortable capital surplus of 5.3 p.p. / 5.4 p.p.
- **Cancellation of solo P2R buffer** (1.47%) by the regulator in Jan'25; awaiting similar decision on consolidated buffer; **annulment of P2G buffer** in Dec'24
- **Inclusion of 2H24 profits to add c90bps to T1 ratio** if 2025 AGM approves the retention of FY24 profits which will be proposed by the Management Board
- **MREL requirements fulfilled with significant surplus**; MREL tra ratio at 28.7% (surplus of 7.0 p.p.) and MREL tem at 8.7% (surplus of 2.8 p.p.)
- **LTFR ratio of 28% at YE24** with gap to YE26 target to be closed mainly by net profit generation and covered bonds issuance

Key profit & loss items

[PLNmn unless otherwise stated]

	2024	2023	Change Y/Y	4Q24	3Q24	Change Q/Q
Net interest income	5 530	5 253	→ 5%	1 505	1 489	→ 1%
o/w impact of credit holidays	-113	-9	→ -	45	44	→ -
Net interest income without credit holidays	5 643	5 263	→ 7%	1 460	1 445	→ 1%
Net commission income	777	782	→ -1%	188	199	→ -5%
Total operating income	5 996	6 732	→ -11%	1 595	1 660	→ -4%
Total costs	-2 253	-1 993	→ 13%	-596	-553	→ 8%
Costs without BFG	-2 192	-1 933	→ 13%	-596	-553	→ 8%
Loan loss provisions	-319	-299	→ 6%	-5	-123	→ -96%
Other modifications	-138	-52	→ 165%	-61	-35	→ 75%
FX mortg. legal risk provisions	-2 179	-3 065	→ -29%	-523	-533	→ -2%
Banking tax on assets	-232	0	→ -	-99	-99	→ 0%
Net profit	719	576	→ 25%	173	190	→ -9%
Net profit without extraordinary items (*)	3 202	2 993	→ 7%	904	796	→ 14%
NIM	4.36%	4.60%	→ -0.24 pp	4.37%	4.39%	→ -0.02 pp
Cost/income reported	37.6%	29.6%	→ 7.9 pp	37.4%	33.3%	→ 4.1 pp
Cost/income adjusted (*)	30.8%	29.5%	→ 1.2 pp	30.7%	29.9%	→ 0.8 pp
Cost of risk (bp)	40	39	→ 1 bp	1	58	→ -57 bp
ROE	9.8%	9.1%	→ 0.7 pp			
ROE adjusted (*)	18.5%	21.7%	→ -3.2 pp			



(*) 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

Other key indicators

[PLNmn unless otherwise stated]

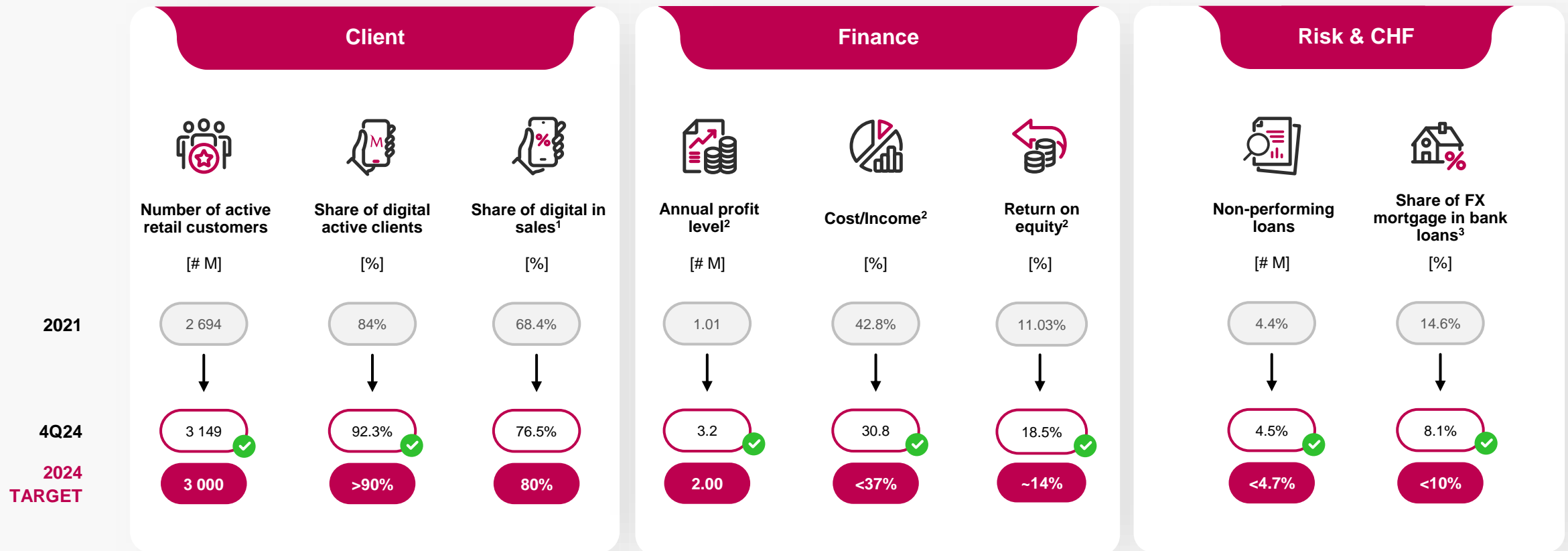
	Dec. 24	Dec. 23		Change Y/Y	Sept. 24		Change Q/Q
Active retail customers (ths)	3 148	3 003	→	146	3 120	→	28
Incl. on-line and mobile	2 905	2 702	→	203	2 863	→	42
Customers funds	128 330	115 458	→	11%	124 540	→	3%
Deposits	117 257	107 246	→	9%	113 981	→	3%
Deposits of individuals	87 567	76 600	→	14%	84 530	→	4%
Loans	74 981	73 643	→	2%	75 542	→	-1%
FX-mortgage loans excl. f. EB	1 127	2 651	→	-57%	1 630	→	-31%
Loans without FX-mortgages	73 667	70 654	→	4%	73 693	→	0%
L/D	63.9%	68.7%	→	-4.7 pp	66.3%	→	-2.3 pp
LTFR *	28.0%	-	→	-	-	→	-
Impaired loan ratio **	4.5%	4.6%	→	-0.1 pp	4.6%	→	-0.1 pp
Coverage ratio	72.9%	72.2%	→	0.7 pp	72.0%	→	0.8 pp
CET1 = T1	15.1%	14.7%	→	0.4 pp	15.3%	→	-0.2 pp
TCR	17.6%	18.1%	→	-0.5 pp	17.9%	→	-0.3 pp
MREL TREA	28.7%	23.8%	→	4.9 pp	28.6%	→	0.1 pp

(*) Long-term funding ratio - according to provisions set by the PFSA

(**) Impaired loan ratio = credit risk provisions / impaired loans

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

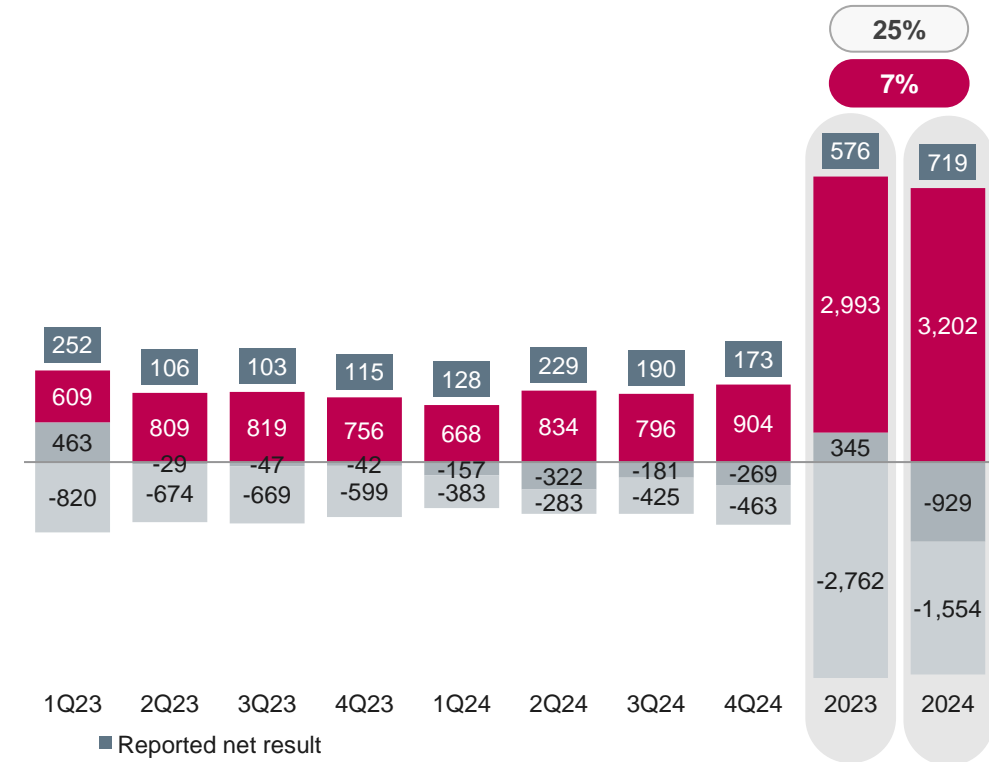
Reported 2024 net profit of PLN719mn (+25% y/y), adjusted at PLN3.2bn (+7% y/y).

Adjusted ROE of 18.5%.

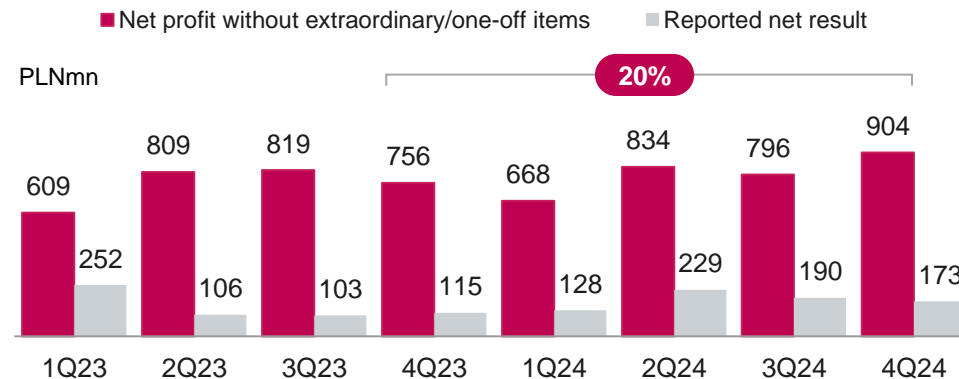
Net profit

PLNmnn

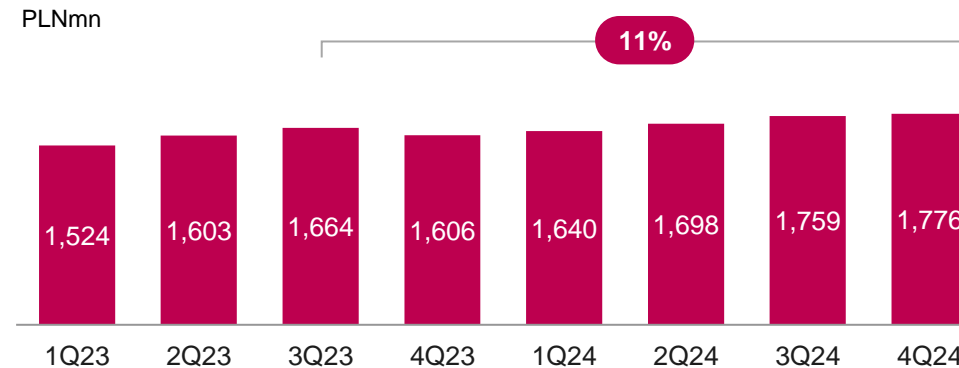
21.7% 18.5% ROE adjusted*
9.1% 9.8% ROE reported



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

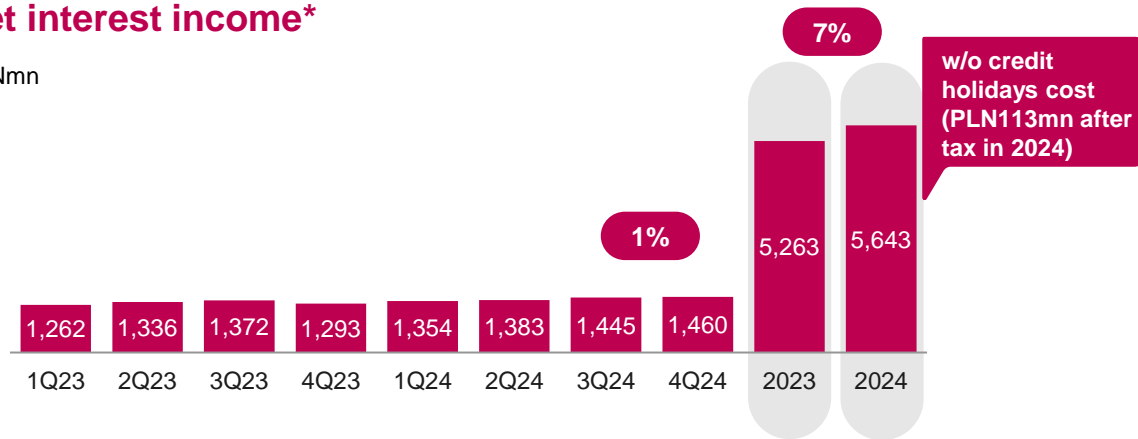
(**) Extraordinary items: FX-mortgage related costs in FX income and other operating income/cost and indemnity from SG. Additionally: income from bancassurance transaction (in 2023) and cost of credit holidays

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

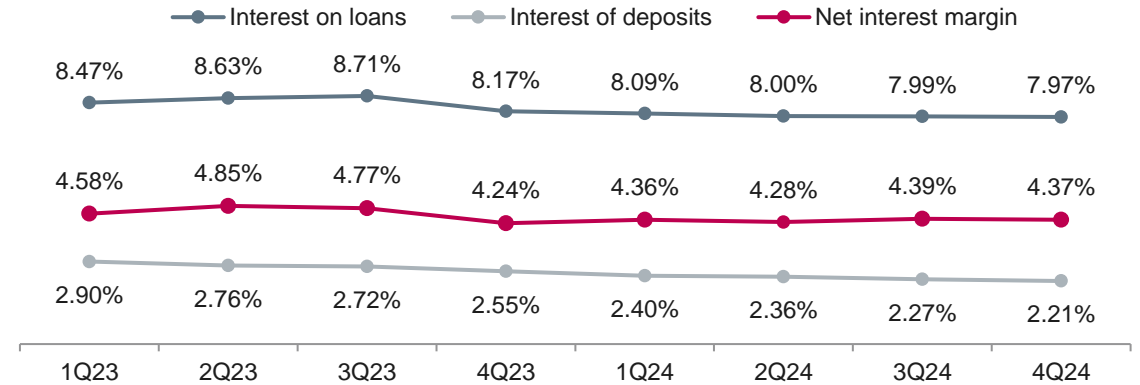
NIM in 4Q24 almost flat at 4.37%. Final cost of credit holidays for 2024 lower-than-expected at PLN113mn.

Net interest income*

PLNm

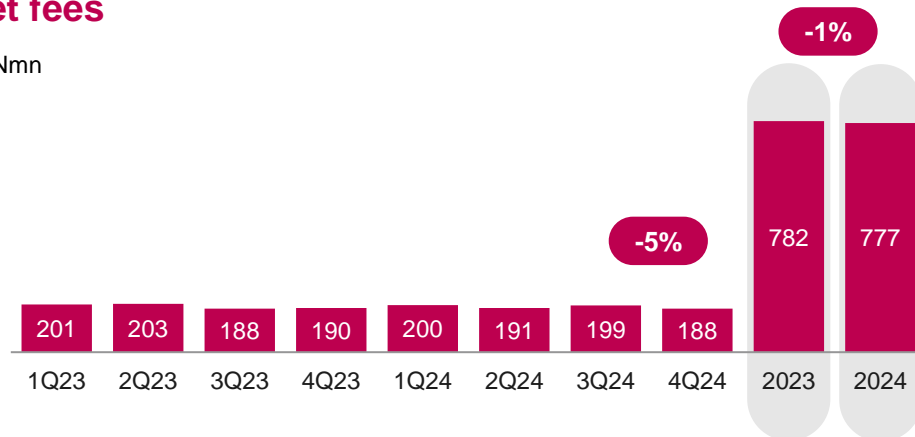


Interest on loans* and deposits (quarterly average)



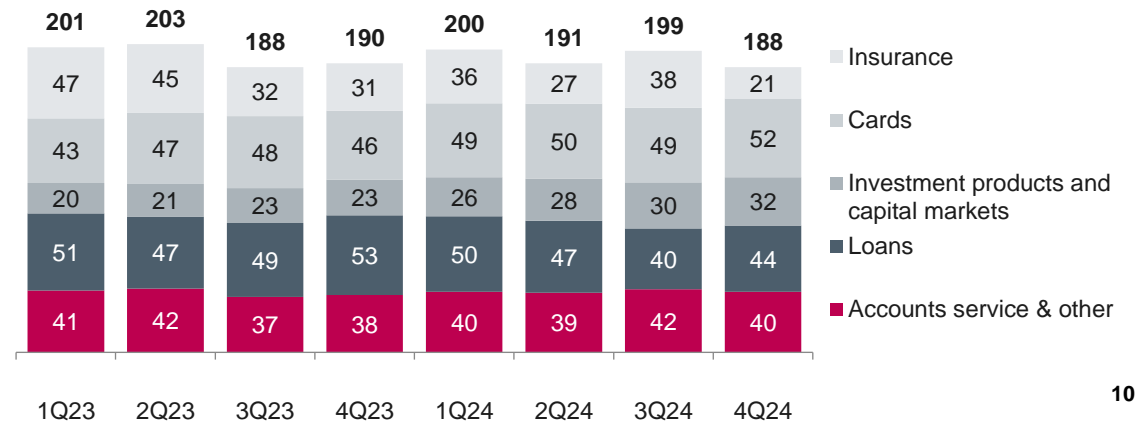
Net fees

PLNm



Fee income structure

PLNm



(*) 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*

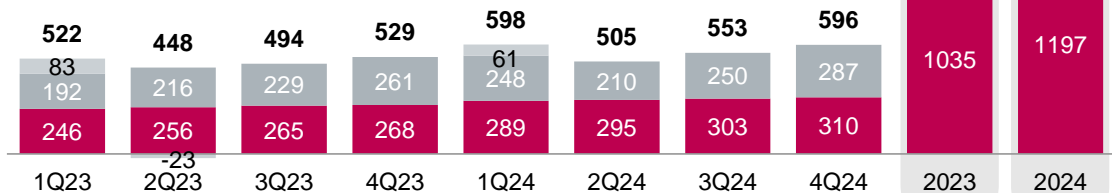
29.5% 30.8%

13%

11%

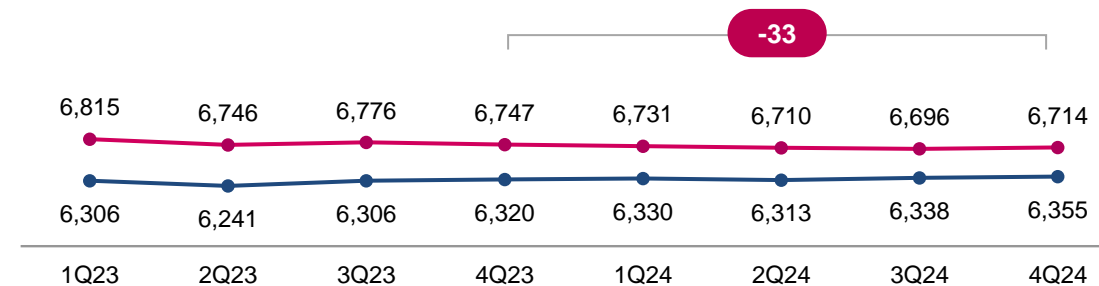
16%

- BFG cost
- Other administrative cost
- Personnel cost



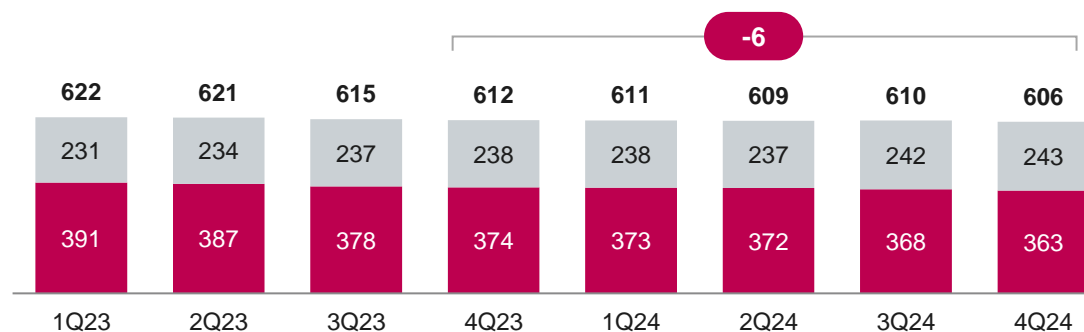
Employees

- 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*

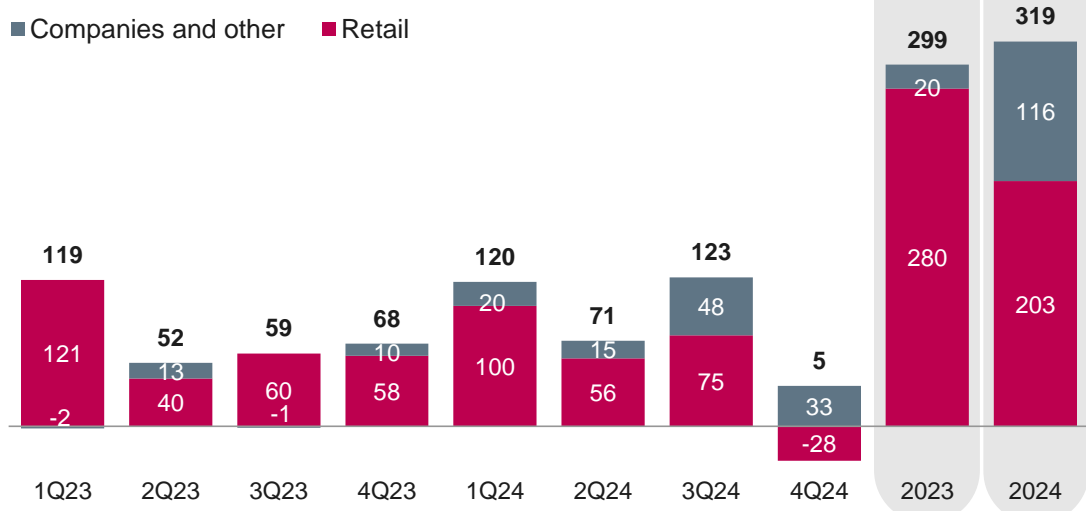
Total loans	39	40
Retail	47	33
Companies	13	63

bps

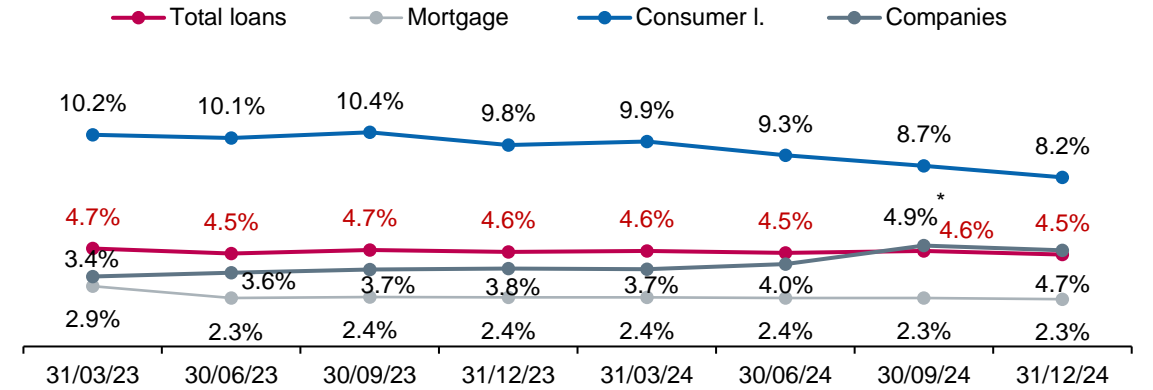
PLNm

6%

■ Companies and other ■ Retail



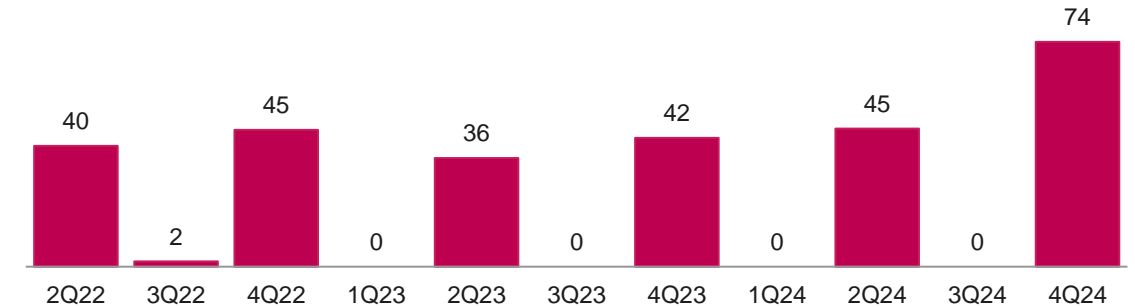
Impaired loans (IFRS9 stage 3 & POCI)



* Impact of two isolated cases moved to Stage 3

Result from sale of NPLs (pre-tax)

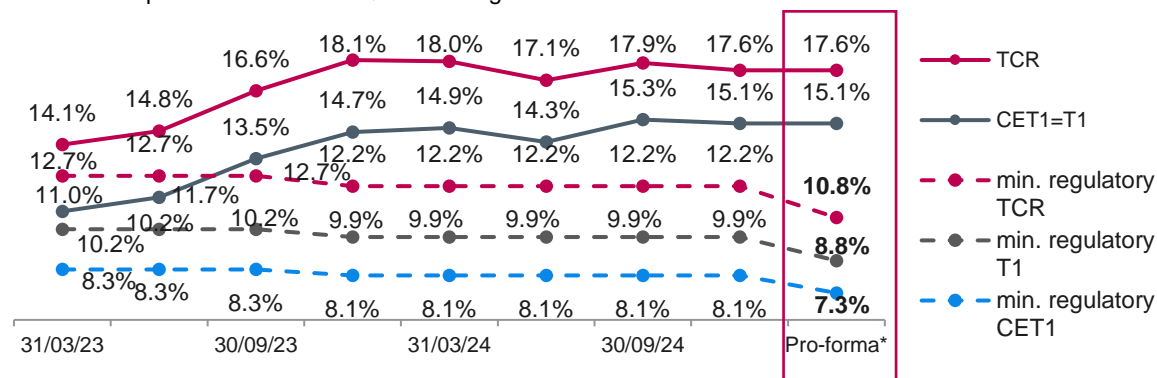
PLNm



Stable capital adequacy ratios comfortably above regulatory thresholds

Group capital ratios

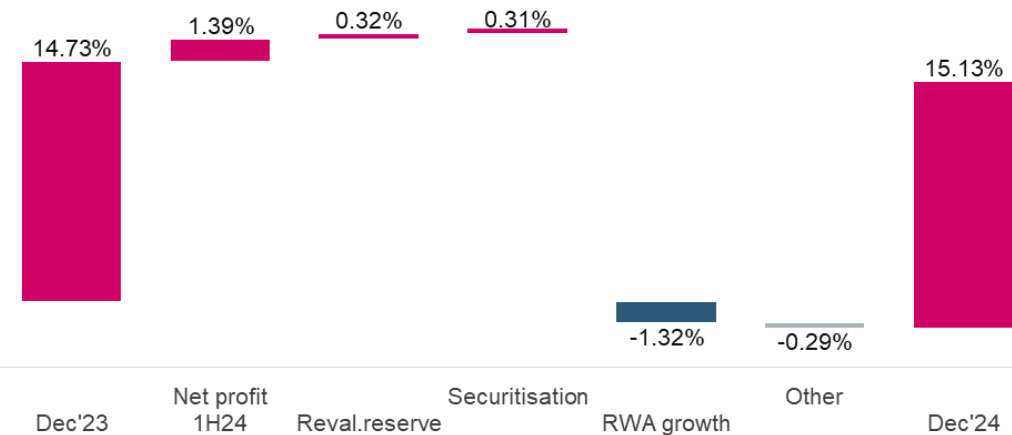
Excess of capital to broaden in 1Q25 following P2R withdrawal



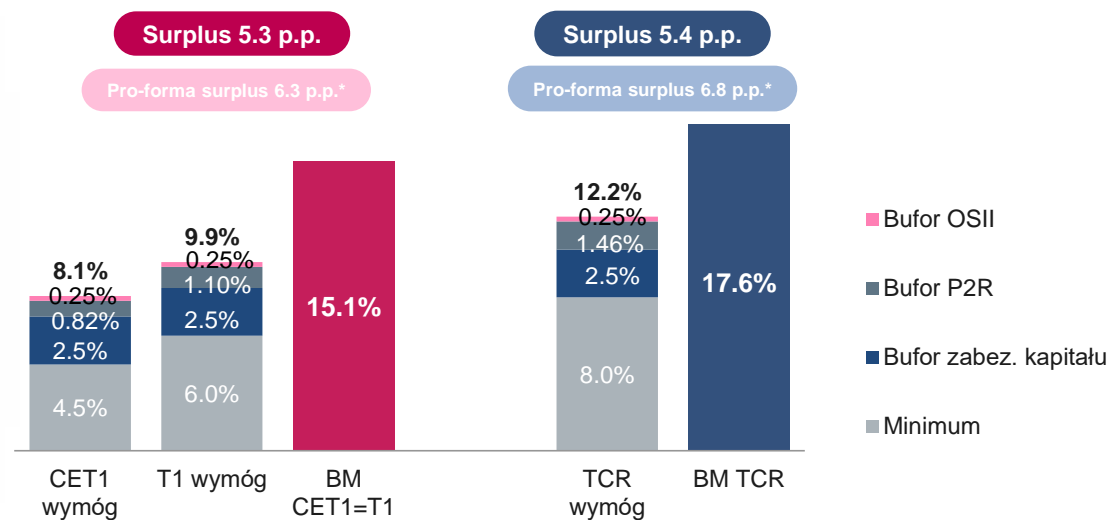
Key points

- **Stable ratios in 4Q24** with securitisation transaction offsetting higher RWAs
- Capital release following two PFSA's decisions: 1) **P2G ratio at 0%** (prev. 1.6%), 2) **solo P2R ratio at 0%** (prev. 1.47%) with decision on consolidated P2R ratio expected
- **Retention of FY24 net profit at 2025 AGM** to *de facto* add 2H24 net profit or **c.90bps to T1 capital ratio**
- **CRR3 will have initial negative impact on capital ratios**, but final impact still to be assessed
- Countercyclical capital buffer to be introduced in 2H25 (+1 p.p.)

Consolidated T1 ratio evolution in 2024



Capital requirement vs. actual ratios on 31 Dec. 24 (Group)

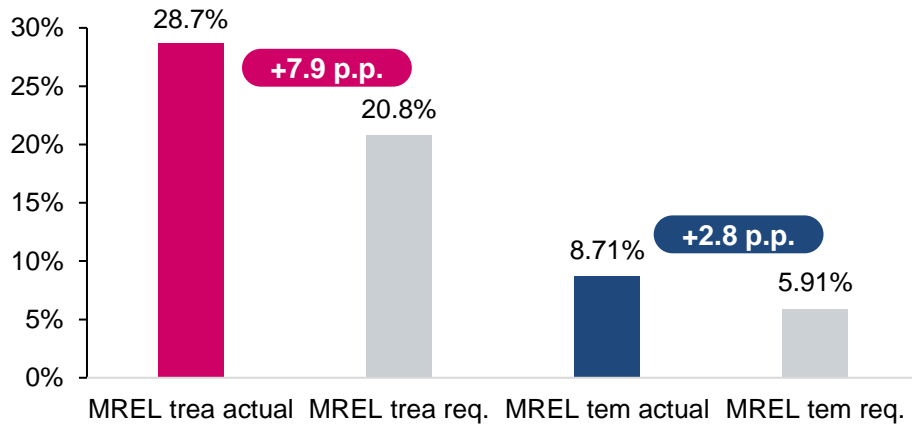


(*) Cancellation of consolidated P2R buffer assumed, mirroring PFSA's decision from January 23, 2025 on cancellation of solo P2R buffer

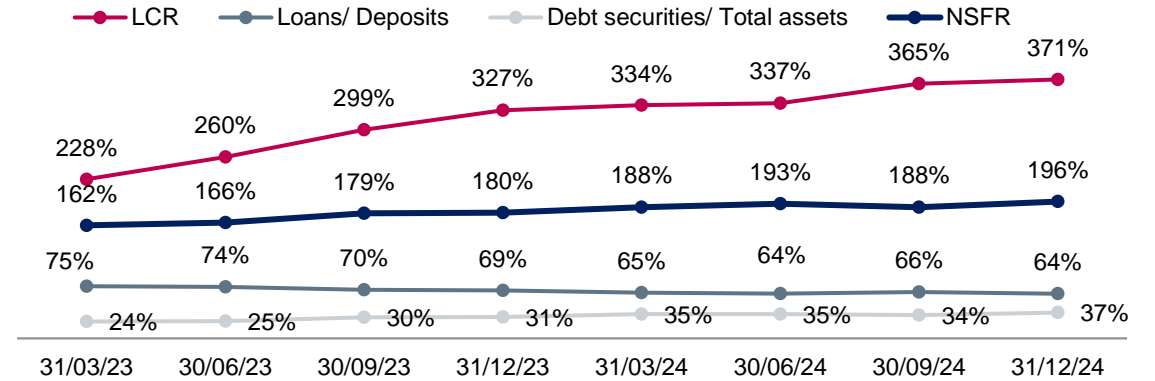
Significant surplus of MREL and liquidity ratios

MREL

Solid surplus of MREL ratios post Sept'24 EMTN issue



Liquidity indicators



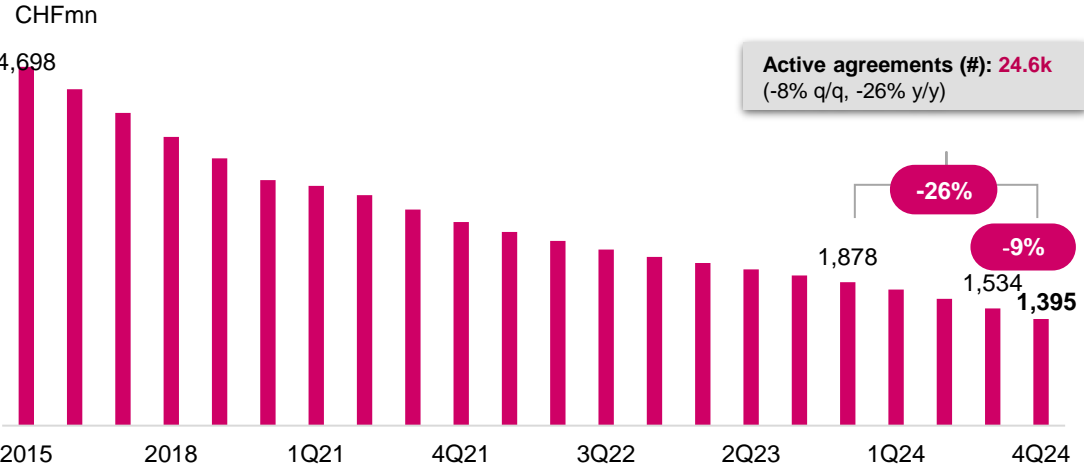
Near-term outlook

- **Significant MREL surplus** over the minimum requirements following the issue of EUR 500mn SNP green bonds in September 2024
- **Elimination of P2R buffer expected to have a positive impact on future MREL requirements**
- **Long-term Funding Ratio ("LTFR") on track to meet end of Dec'26 recommended level.** Regular issues of covered bonds by Millennium Mortgage Bank (MBH) will be the main driver of LTFR increase along with excess of capital and the issued MREL bonds
- In 2024 MBH issued PLN800mn worth of covered bonds. The bonds are rated AAA /Stable Outlook by Fitch.

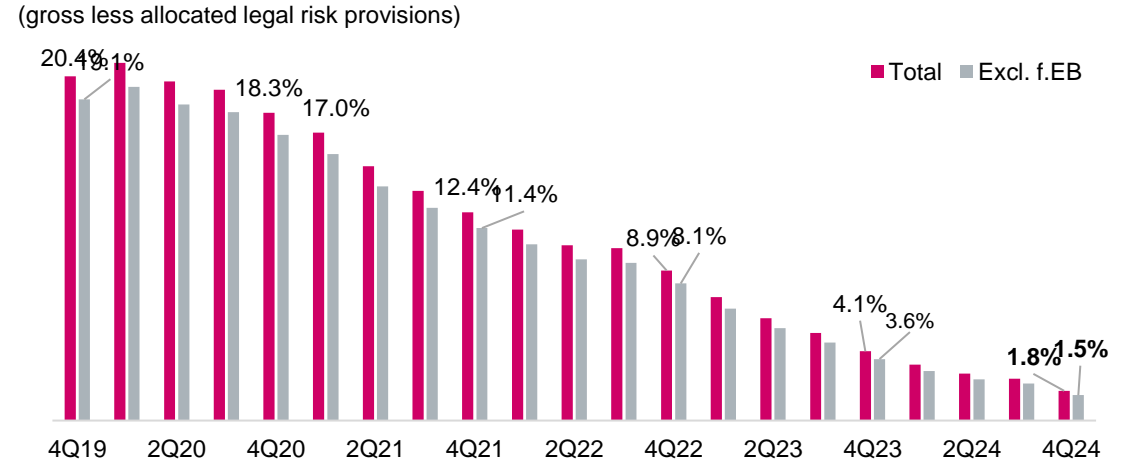
Pace of FX-mortgage portfolio's downsizing accelerated to 26% y/y.

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

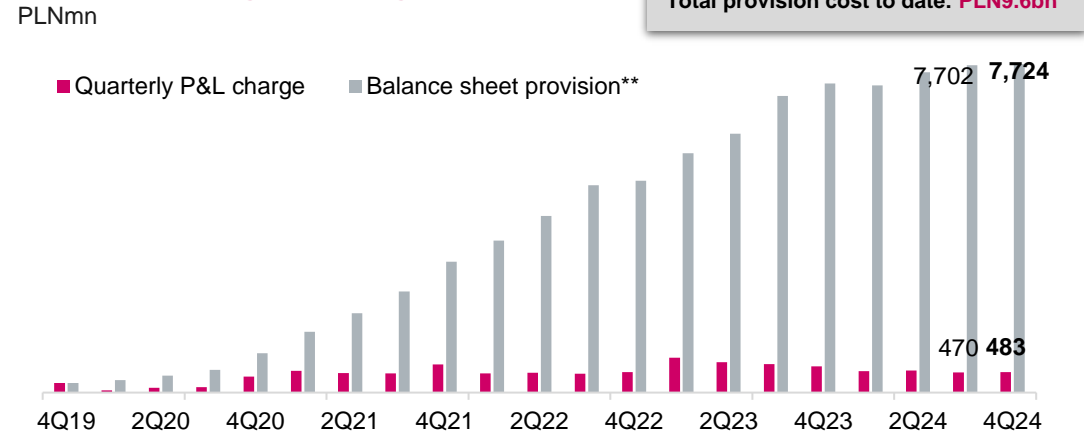
FX-mortgages* (gross, before legal risk provisions)



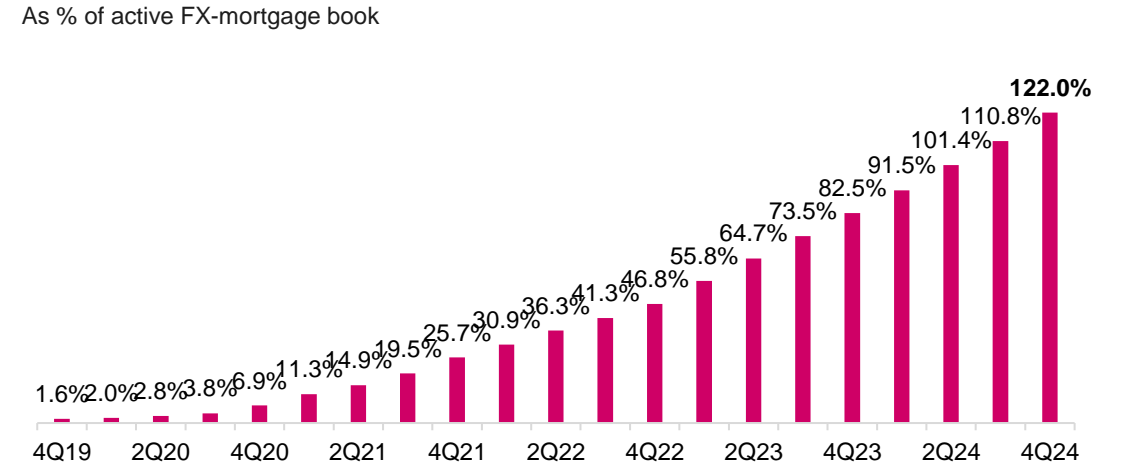
FX-mortgages as % of total consolidated gross loans



Provisions against legal risk*



Outstanding provisions against legal risk



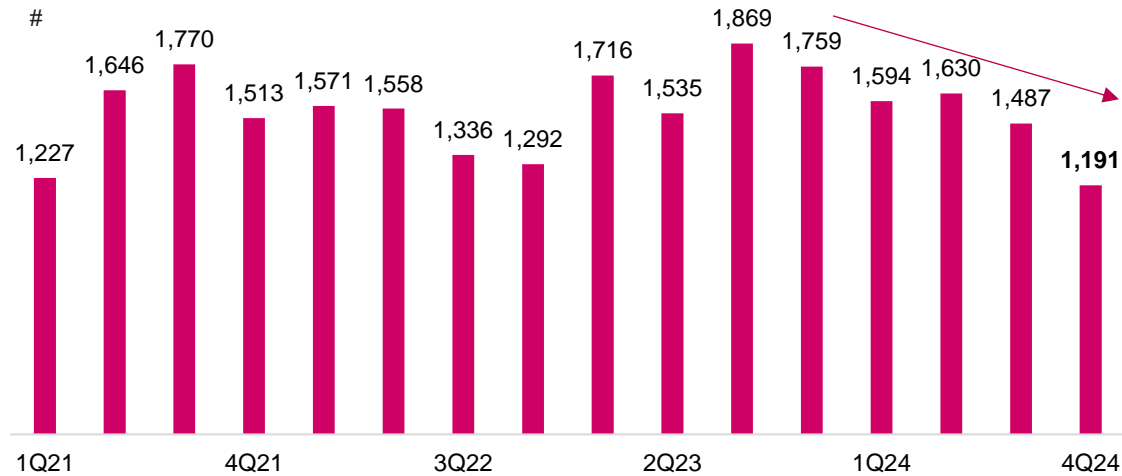
(*) Excluding f.Euro Bank; (**) actual outstanding B/S provisions may differ from the sum of P&L charges due to FX movements and utilisations among others

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.

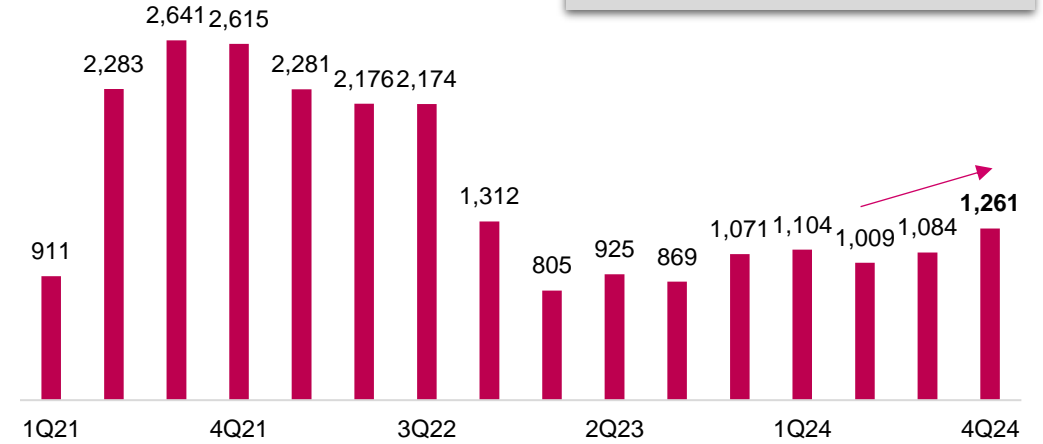
New individual indexation lawsuit cases*

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

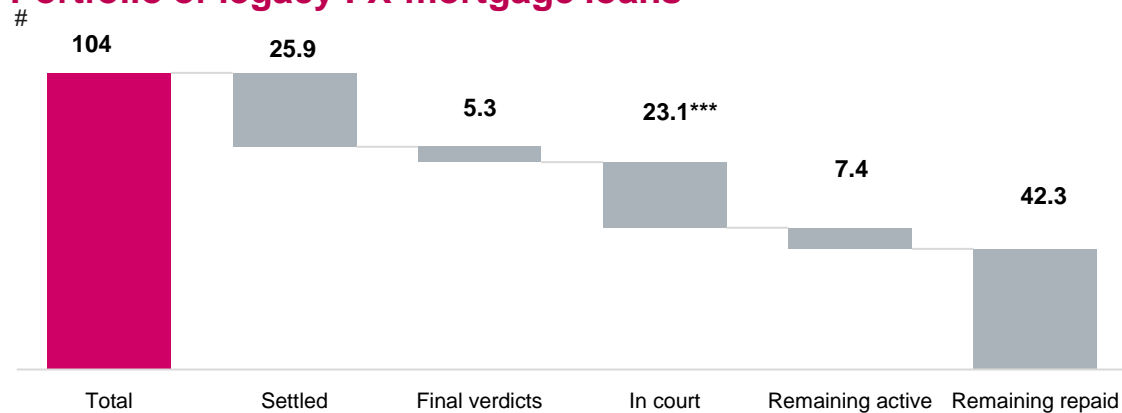


Amicable settlements (in-court & out-court)

~25.9k amicable settlements to date



Portfolio of legacy FX-mortgage loans**



Legal risk provisions – methodology and sensitivity

Main assumptions

- **88%** 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
- **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**
- **1pp** change of success probability of in-court settlements – **PLN9mn**



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

02

Business development

Preliminary unaudited
4Q24/FY2024 results



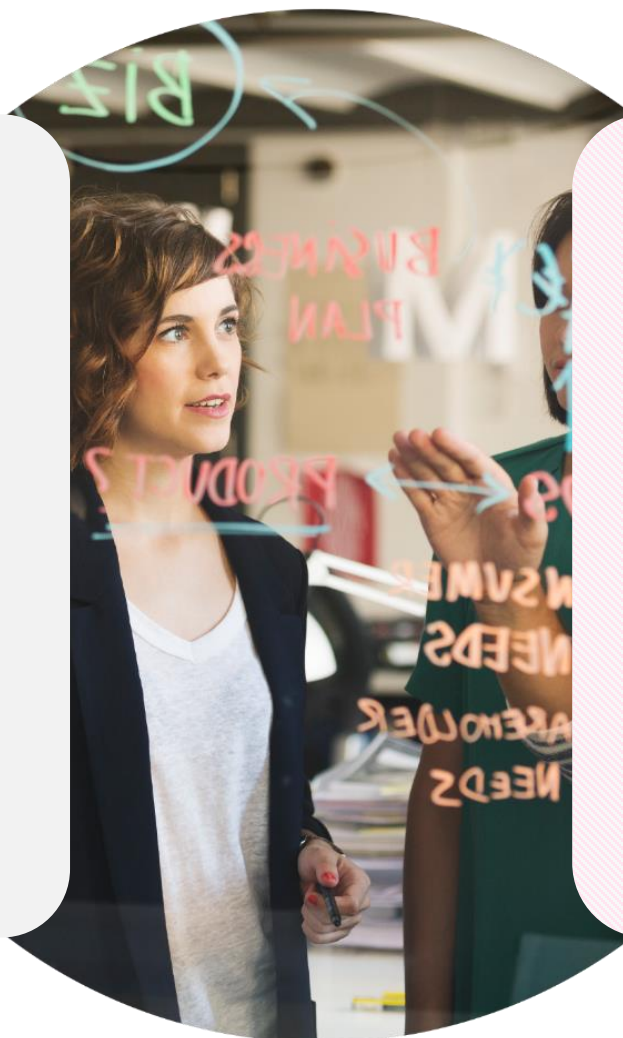
Main business achievements in 4Q24/FY2024

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



BUSINESS VOLUMES EVOLUTION

- Total deposits grew **9%** y/y
- Consumer loans grew **7%** y/y
- PLN mortgage loans grew **3%** y/y
- Growth of investment funds portfolio by **35%** y/y
- High liquidity surplus **> PLN42bn**
- Loans to deposit ratio at **64%**



MAIN COMMERCIAL HIGHLIGHTS

- **Active retail clients of 3,148 ths.** with **92%** digitally active

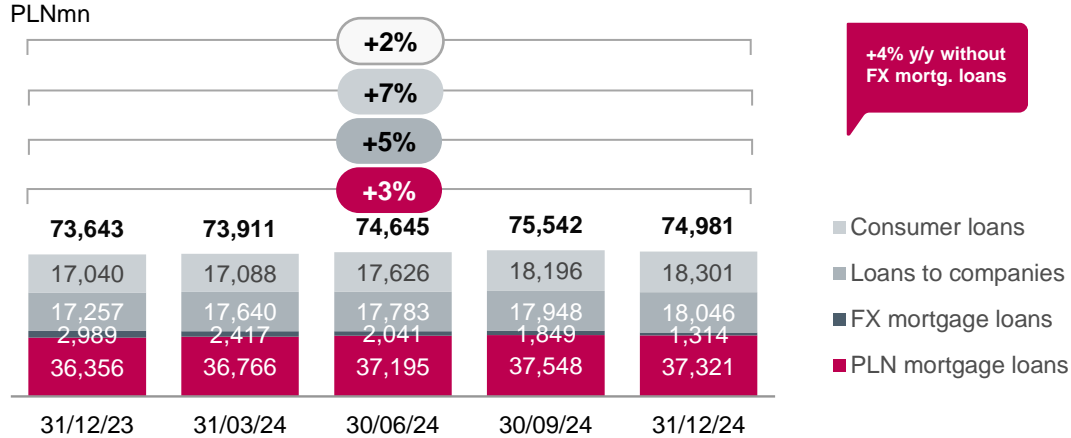
2024 sales:

- **Cash loans PLN7bn** (+11% y/y)
- **Mortgage loans PLN5.9bn** (+22% y/y)
- Leasing **PLN3.9bn** (+25% y/y)

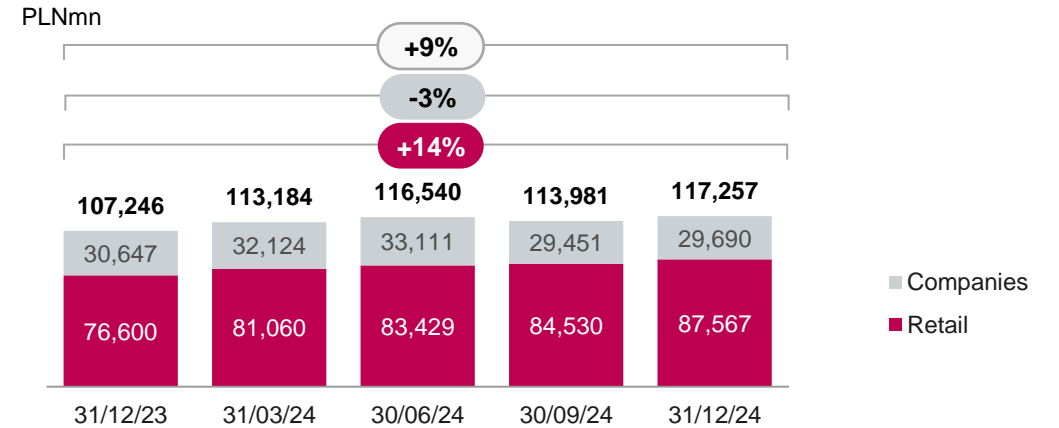
Loan growth driven by retail lending and accelerating corporate loans.

Deposits grew 9% y/y. Investment products strongly up (+35% y/y).

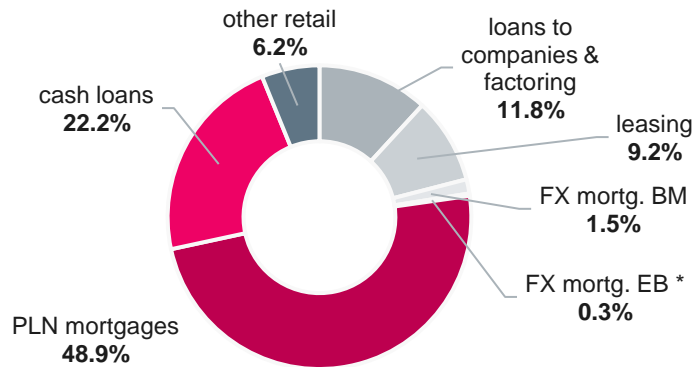
Loan portfolio of the Group (net)



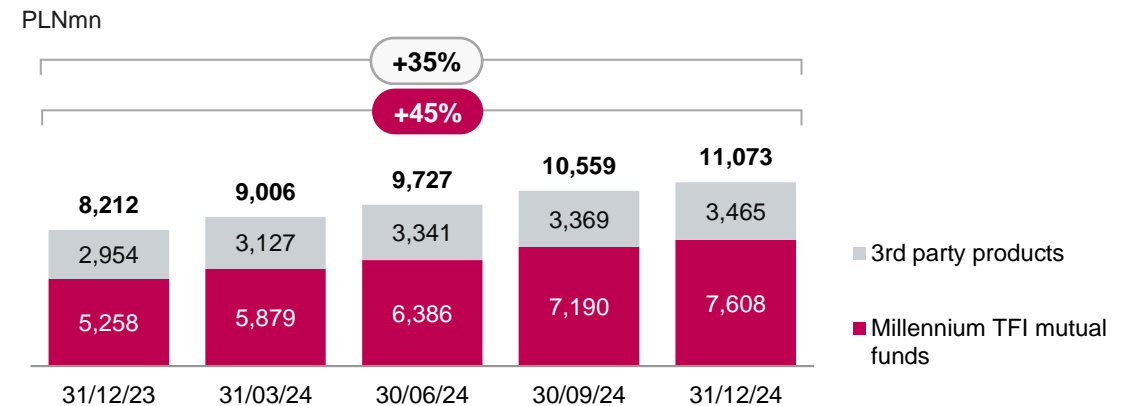
Customer deposits



Structure of loan portfolio (gross)**



Investment products

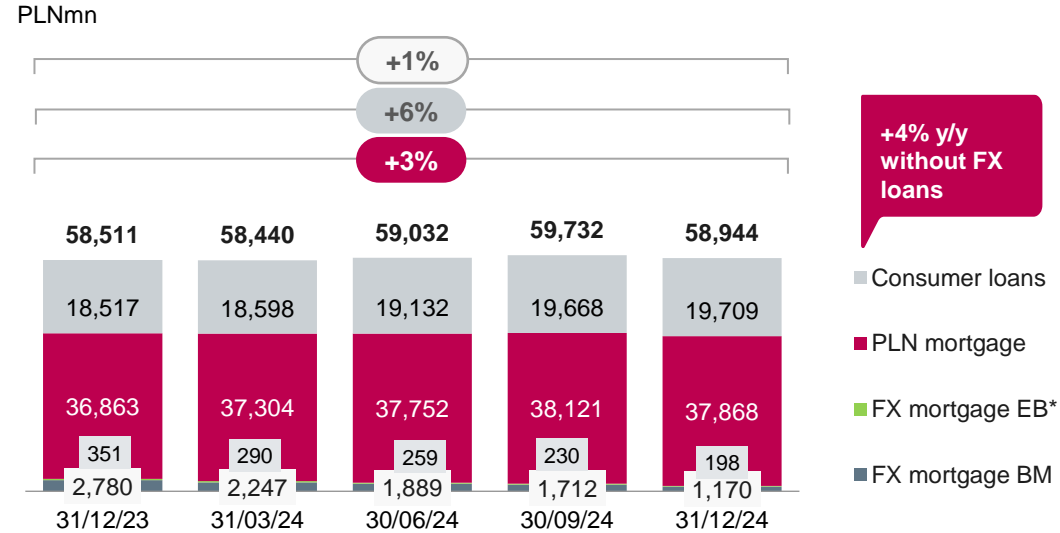


(*) Covered by SocGen guarantee and indemnity

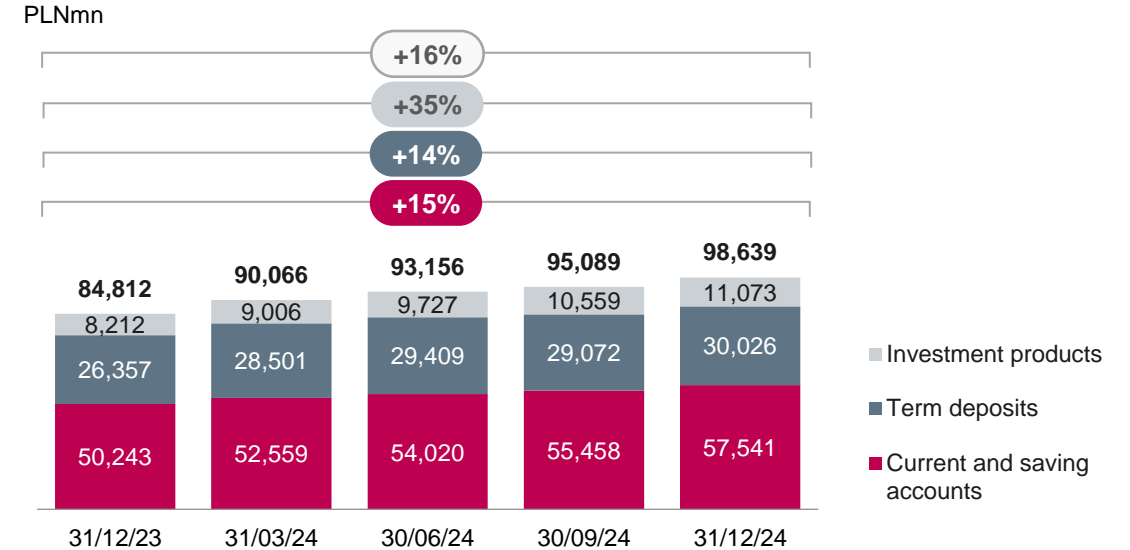
(**) Net of legal risk provisions

Growing consumer and PLN mortg. loans. High growth of customer funds (+16% y/y).

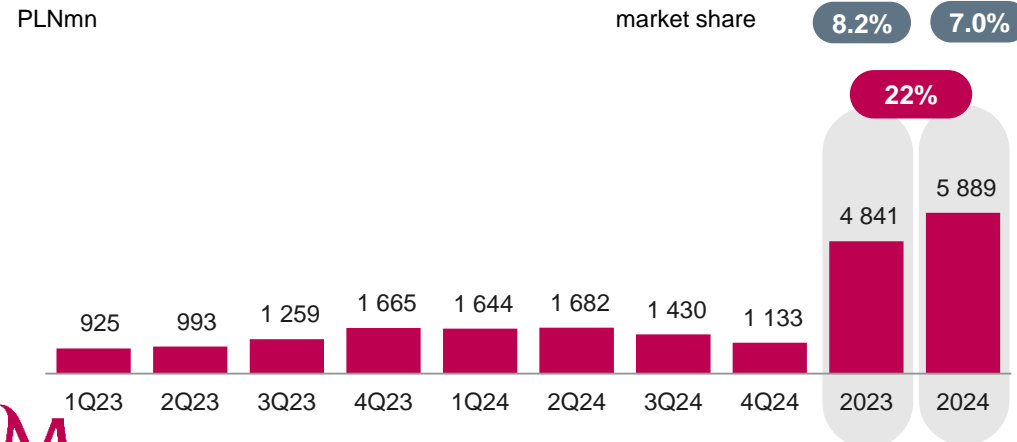
Retail loans (gross)



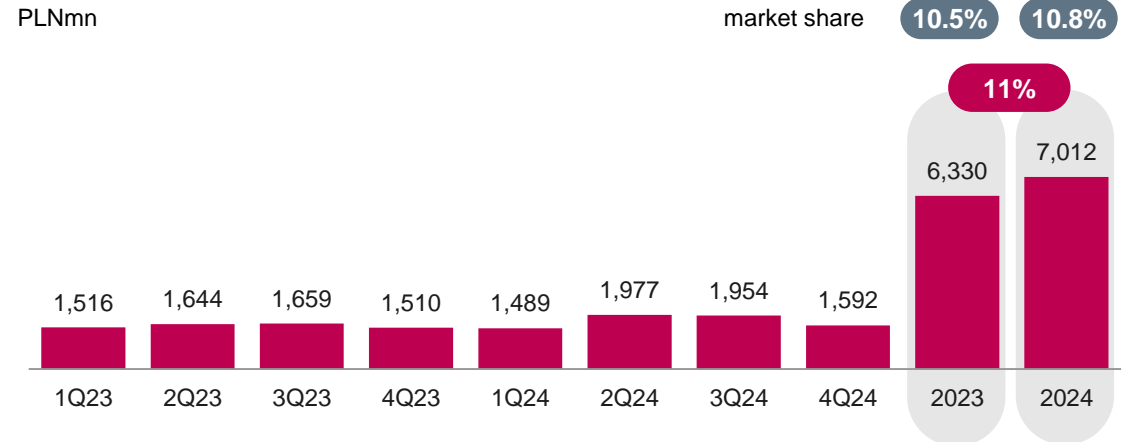
Retail customer funds



Mortgage loans new sales (**)



Cash loans new sales

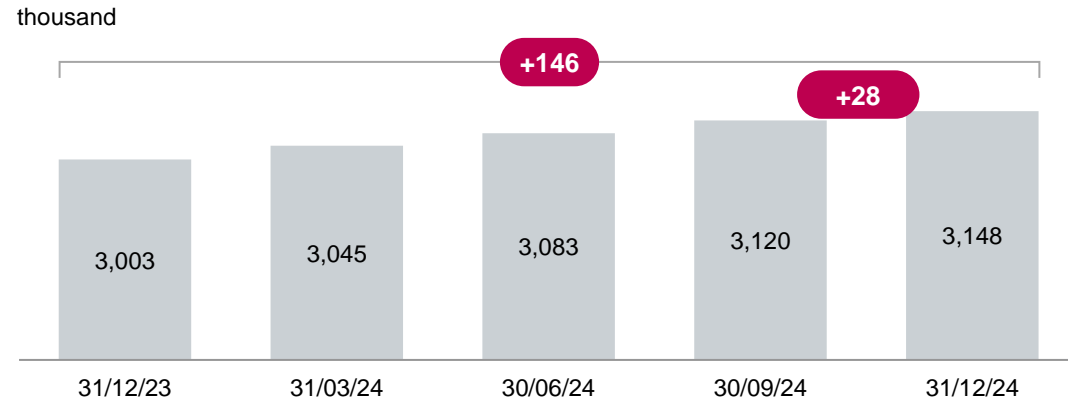


(*) Loans originated by f. Euro Bank – covered by 100% indemnity and 80% guarantee agreement with SocGen (**) Disbursements; market share as % in value of new agreements

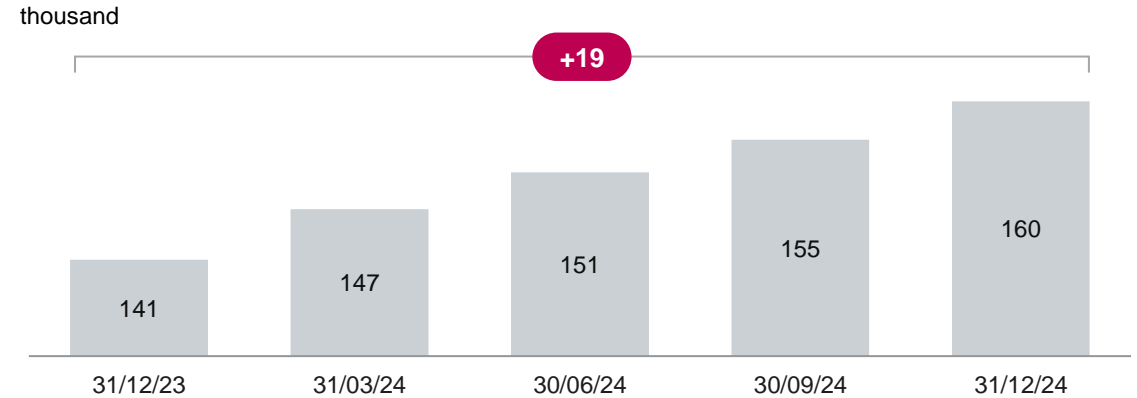
Steady growth of new customers and accounts of ~30-40k clients per quarter.

The growth visibly beyond the original YE24 target of 3 million active clients.

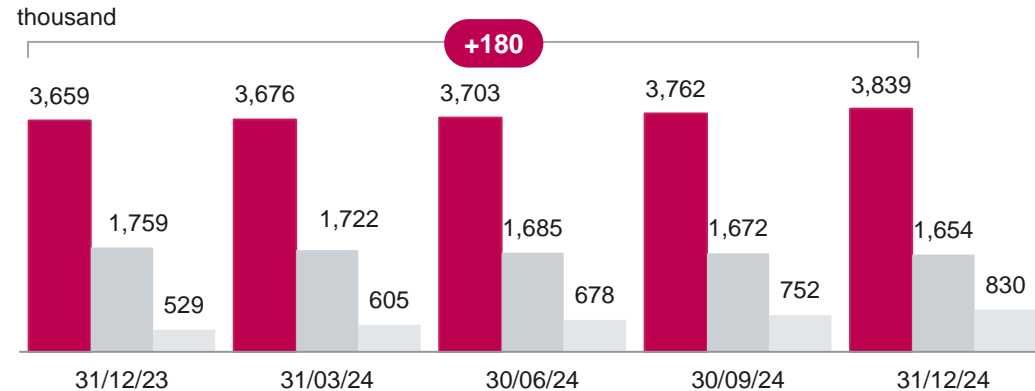
Active retail clients



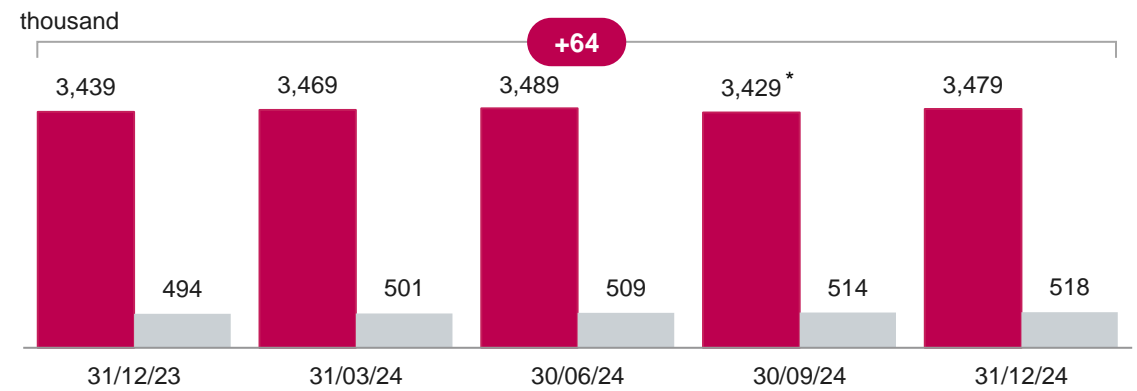
Active micro-business clients



Number of current accounts



Number of debit and credit cards



■ Retail PLN C/A ■ Konto 360 C/A ■ Millennium 360 C/A

■ Debit cards ■ Credit cards

(*) The decrease of debit cards number in 3Q24 is due to withdrawal of HCE services resulting in closures of related virtual cards. The Bank offered its clients other possibilities of card payments by phone.

Steady growth of digital users number and stable ratings of mobile app in the stores



2.9 M **+8% y/y**

Active digital users*



2.65 M **+7% y/y**

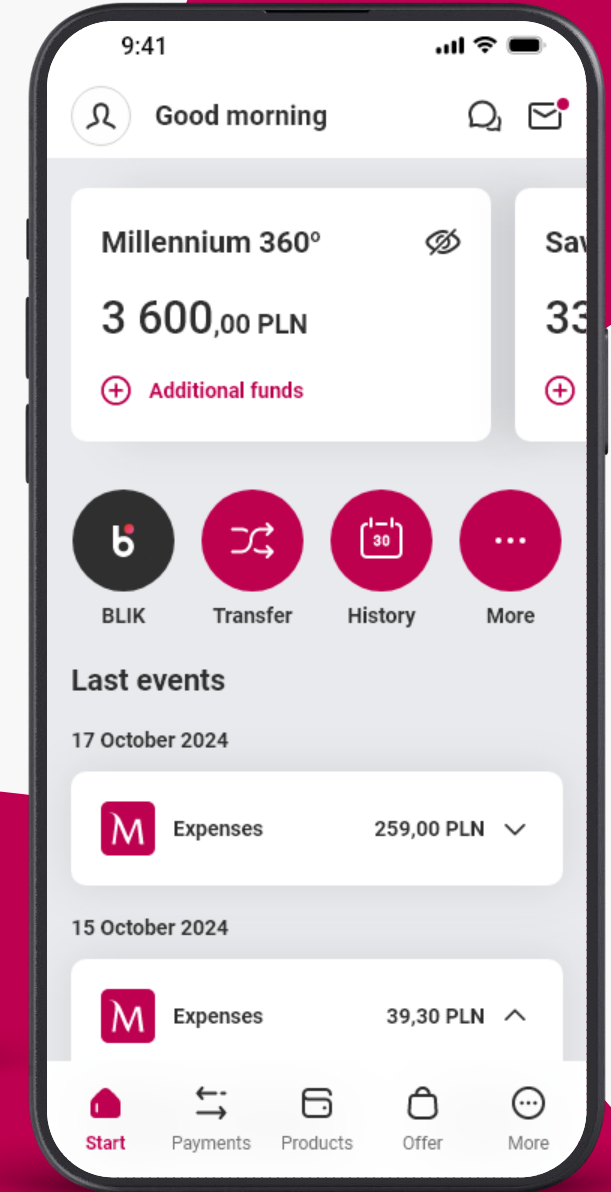
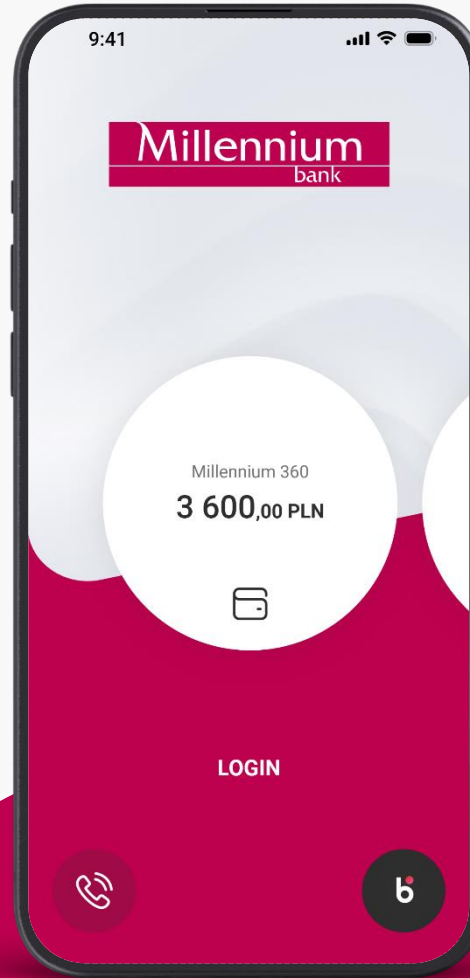
Active mobile app users



2.16 M **+38% y/y**

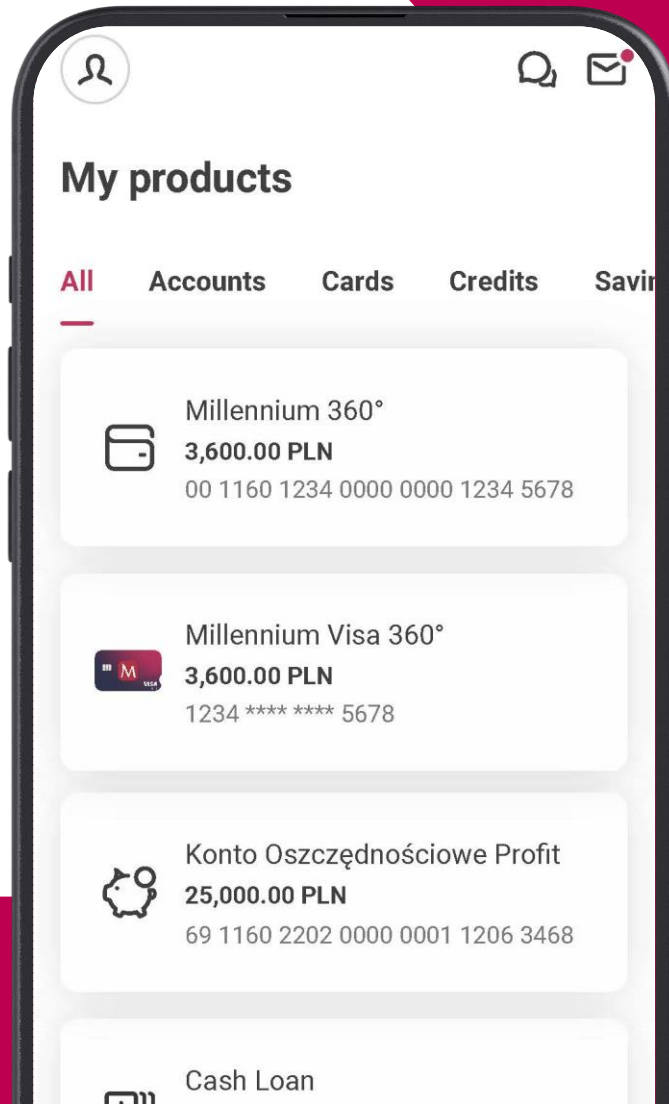
BLIK users in 2H24

Record-breaking increase of number BLIK users



* Individual and Microbusiness customers

Domination of digital channels in loan sales and deposits



Cash Loans

84%

Digital share in cash loan sales in 2H24



Accounts

42%

Digital share in current account acquisition in 2H24



Term deposits

95%

Digital share in term deposit in 2H24



Junior Accounts

54%

Digital share in junior account acquisition in 2H24



+35% y/y

BLIK transactions: e-commerce, P2P, contactless, BNPL

+37% y/y

P2P BLIK transfer to mobile

+62% y/y

BLIK contactless transactions

+36% y/y

BLIK contactless users

Initiatives in 4Q24

New ways of contact

We have provided customers with new options for contacting the bank. We have optimised the consultant contact panel on processes (tap to call or chat). Chat has been enhanced with AI, speeding up support for the most common queries. A native map of branches and ATMs with filtering and routing capabilities was introduced in the app.

Affluent clients

The Bank has released a new offer for affluent customers. All services and products are easily accessible through digital channels. Customers can also convert their current account into the new Millennium 360 Prestige account. In the same process, they can change their credit card for the unique Visa Global and buy Your Assistant Prestige insurance. All this in just a few steps, on the app.

Mortgage loans

We have implemented a loan holiday extended with new legal conditions. In addition to this, borrowers affected by the 2024 flood gained the opportunity in electronic banking to apply for non-refundable assistance from the Borrower Support Fund. The application was made available at the Bank in line with the start of the government programme.

#MobileApp

#Chat

#AI

#EmbeddedMap

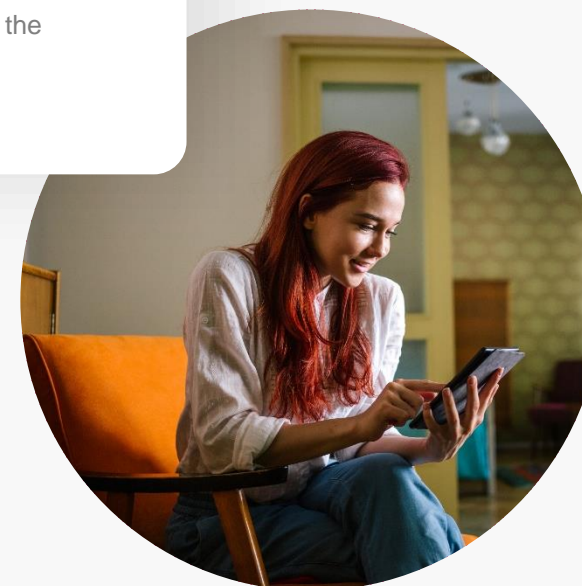
#Millennium360Prestige

#YourAssistantPrestige

#VisaGlobal

#SupportForFloodVictims

#CreditHolidays





Top initiatives in 2024

Currency exchange

When summer holidays started, we introduced currency exchange on the mobile app. Customers can exchange currencies: EUR, USD, GBP, CHF. The customer can also relate a currency account with a debit card on the mobile app. This enables them to pay in currency without currency conversion. At the same time, card Currency Limit was increased to PLN 5,000/month.



App Redesign

We have moved the app menu to the bottom of the screen, organised the services and refreshed the product pages. There is also a new option to check card details, which is a useful feature when shopping online. We tested the changes with users before making them widely available.

BLIK Pay Later

The Bank's customers have gained access to a new BNPL (buy now, pay later) service that allows them to postpone payment of online purchase for 30 days. The customer can easily check and repay the loan in the banking app. The service works like the popular BLIK code payments. Bank Millennium was the first in the market to get involved in the project.



#MobileApp

#CurrencyExchange

#CurrencyLimit

#MultiCurrencyService

#BLIK

#E-commerce

#BNPL

#SmartPayments



Continued growth in goodie cashback, activation and acquisition promotions



35% increase y/y

in the number of active users of the goodie cashback service



50% increase y/y

Number of transactions made through the goodie cashback service



20% increase y/y

for goodie gift cards sold



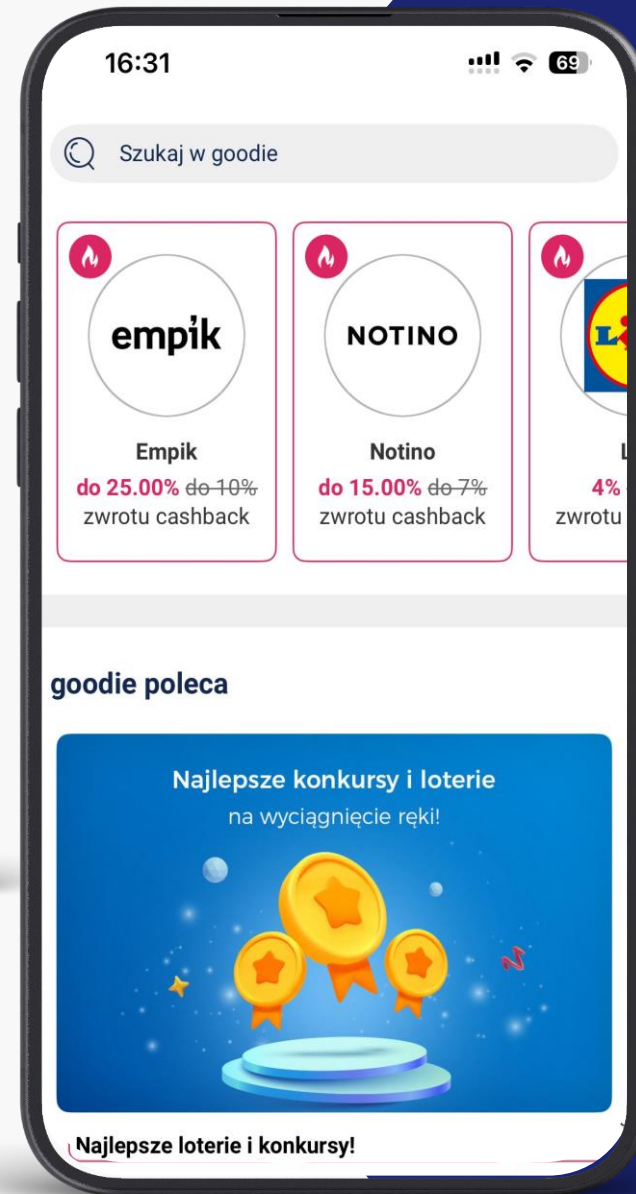
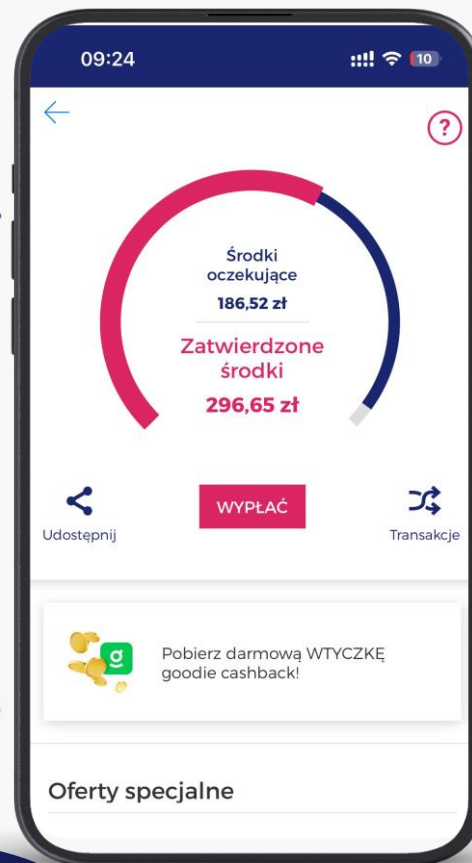
4.2



4.6



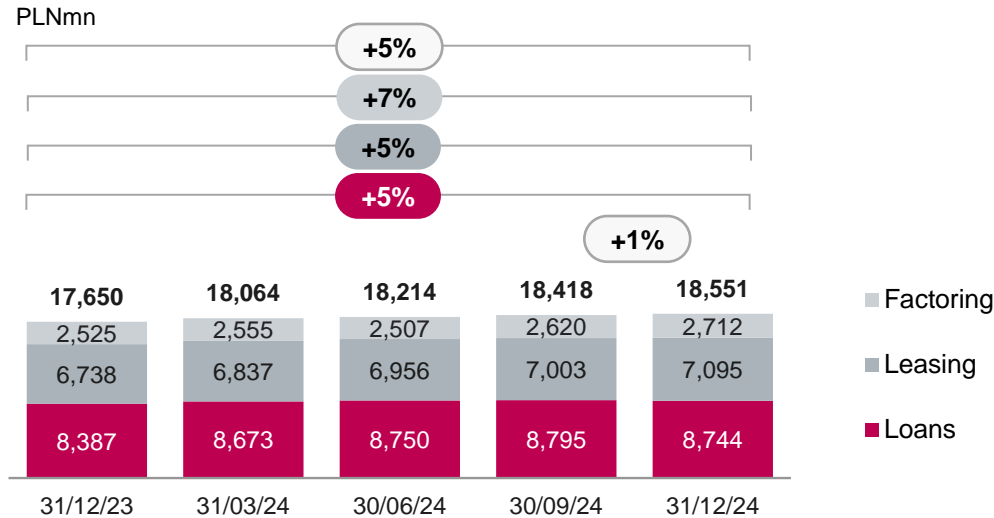
4.1



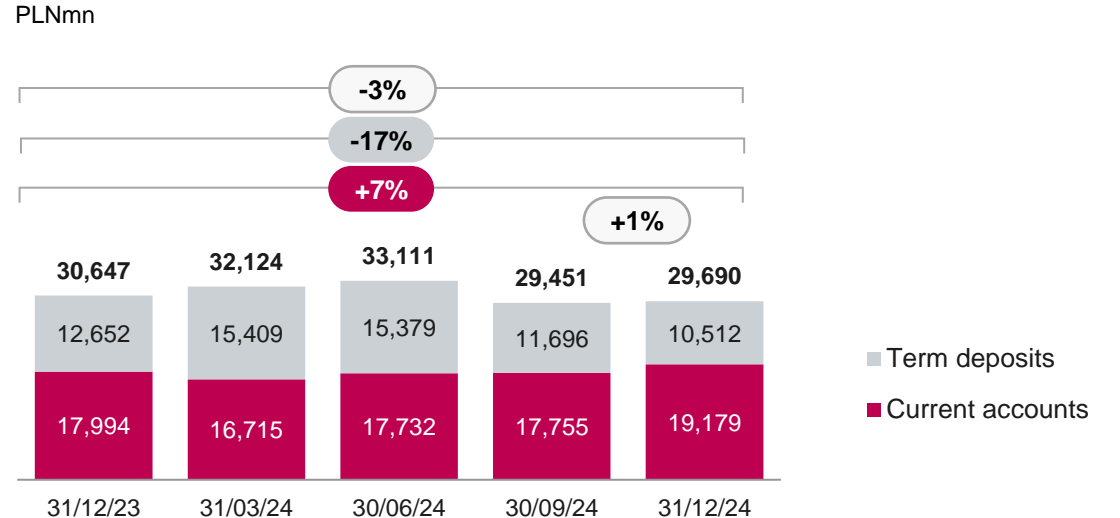
Growth of corporate loan portfolio accelerates.

Corporate deposits overall down 3% y/y but C/As up 7% y/y. SME loans start to contribute to growth.

Loans to companies (gross)



Companies' deposits



- **Loan portfolio maintains uptrend** and grew by 5% y/y although RWA management still in focus.
- **Companies' deposits** contracted 3% y/y due to much lower term deposits (tighter pricing management) while C/A balances continued to grow (+7% y/y)
- Maintained growth **in transaction activity**. Higher volumes of **treasury transactions**. **FX transactions** up 11% y/y, **domestic transfers** up 4% y/y.

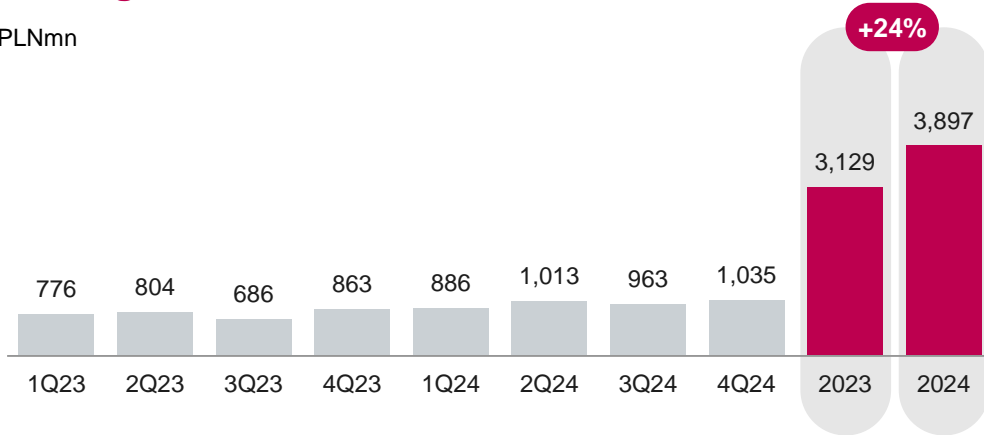


Growth of new leasing contracts accelerated to 24% y/y.

Rebound in factoring. Visible growth of clients' transactions.

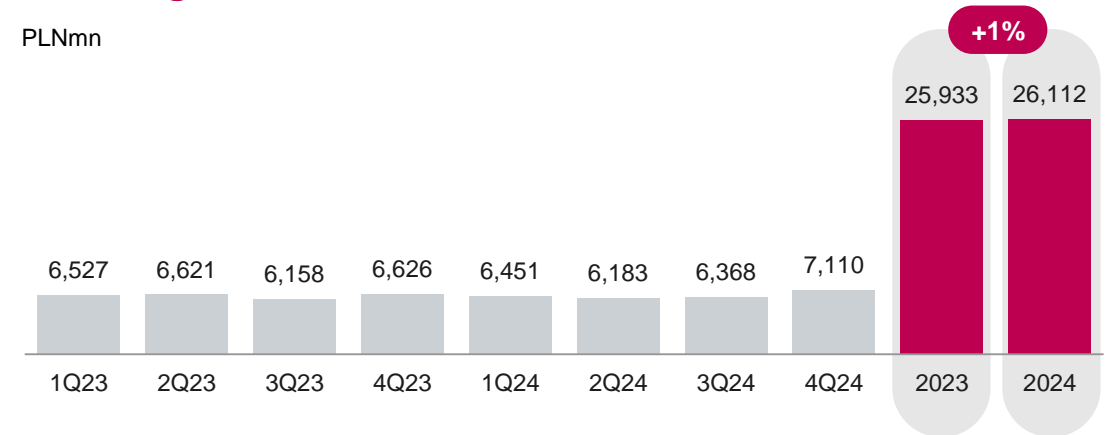
Leasing – new sales

PLNm



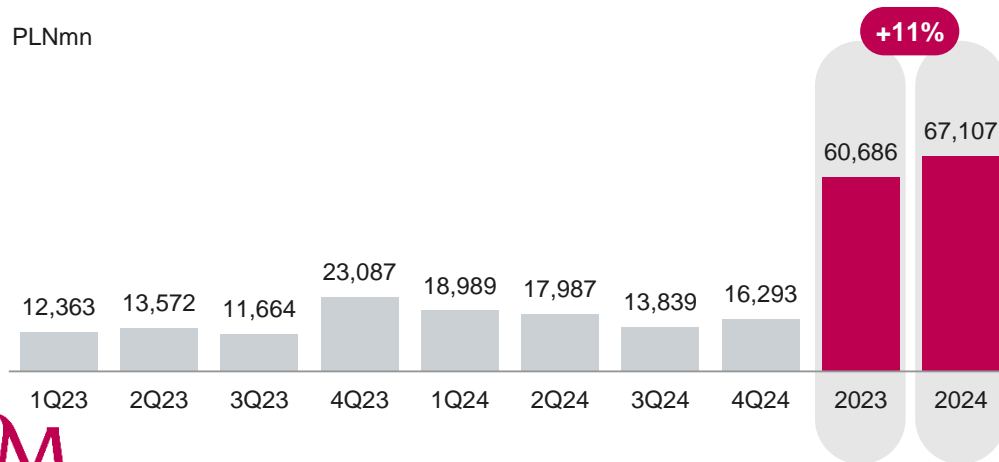
Factoring – turnover

PLNm



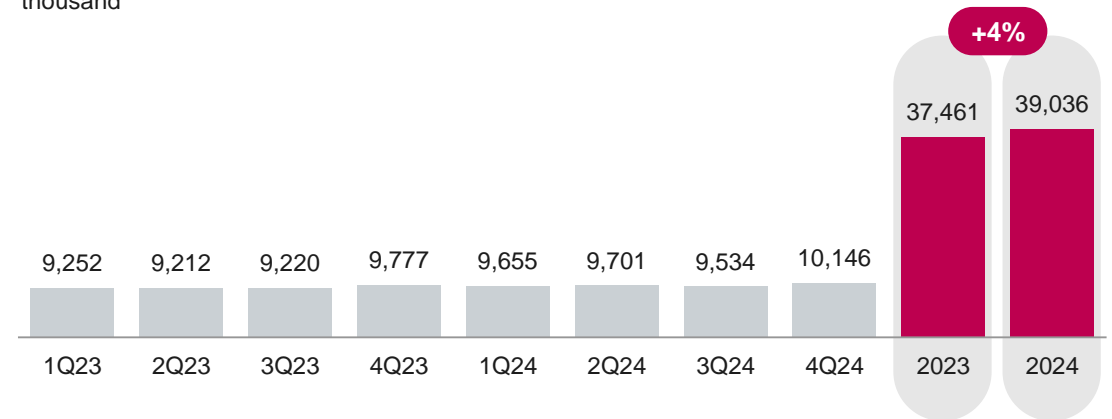
Volume of FX transactions

PLNm



No. of domestic transfers

thousand



We are expanding the offer for customers of corporate banking.

We are developing our cooperation with KUKE and BGK. We are digitalising service.

Loans with Investmax guarantees with EFI counter guarantee

We concluded an agreement with Bank Gospodarstwa Krajowego (BGK) on portfolio guarantee line under the InvestEU Programme and launched loans secured with the Investmax guarantee.



New BGK guarantee programmes: 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.

95%



of customers use eBOK service to process leasing agreements

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

More than 100,000



Payment cards in the portfolios of our corporate customers

KUKE guarantee for loans to finance current operations

We expanded the offer of loan guarantees given by Korporacja Ubezpieczeń Kredytów Eksportowych (KUKE) and we are now providing exporters with the possibility of covering the repayment of loans for investments in Poland, as well as covering repayment of loans for financing their current operations.

74%



FX transactions concluded through the Millennium Forex Trader platform

84%



guarantees were issued in the form of e-guarantees

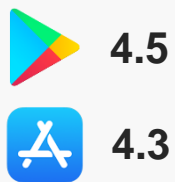
66%



loan agreements signed electronically

Security and convenience for corporate customers

The best-rated banking app for companies in Poland, also appreciated abroad



Digital identity

Customers can order qualified certificates online and sign their documents. Within 4 months, we confirmed identities more than 5,500 Times.



AML Surveys

We have completed the development and testing of a new type of survey in which we will ask customers to explain events that do not match the company's transaction profile.



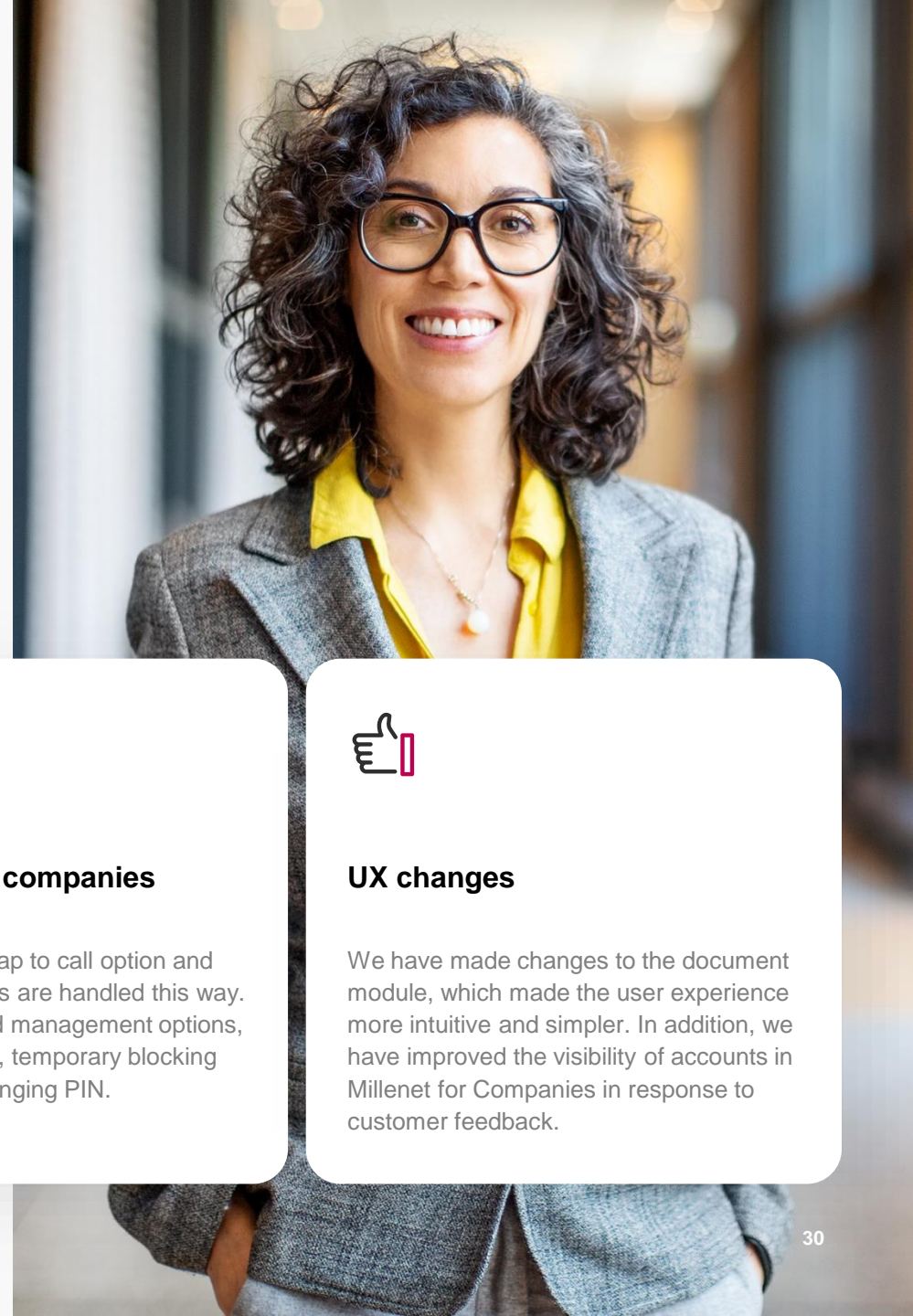
Mobile app for companies

We have added a tap to call option and already 20% of calls are handled this way. We introduced card management options, including activation, temporary blocking and restriction, changing PIN.



UX changes

We have made changes to the document module, which made the user experience more intuitive and simpler. In addition, we have improved the visibility of accounts in Millenet for Companies in response to customer feedback.



Digital Banking for Micro-Business

New VAS

In 2024, we implemented services for new e-commerce micro-entrepreneurs: an online shop and a payment gateway. In the process of opening a business, we provided the option of direct support from an accountant. In the accounting service, we added the option of defined transfers. Business customers also gained access to an in-app currency exchange.

Cash loan

On the app, we have added the possibility to call a consultant directly from the instalment loan application. This allows the customer to get real-time support from a Bank's expert if they have any doubts when completing the form.

New processes

Customers were offered with a new processes in digital channels: to order a debit card for their business account and to open another Mój Biznes Account, optionally with a new VAT account and a new debit card.

#OwnBusiness

#VAS

#Accounting

#E-commerce

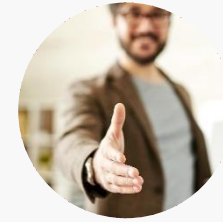
#MillenniumPAY

#CurrencyExchange

#InstallmentLoan

#ExpertSupport

#KontoMójBiznesAccount



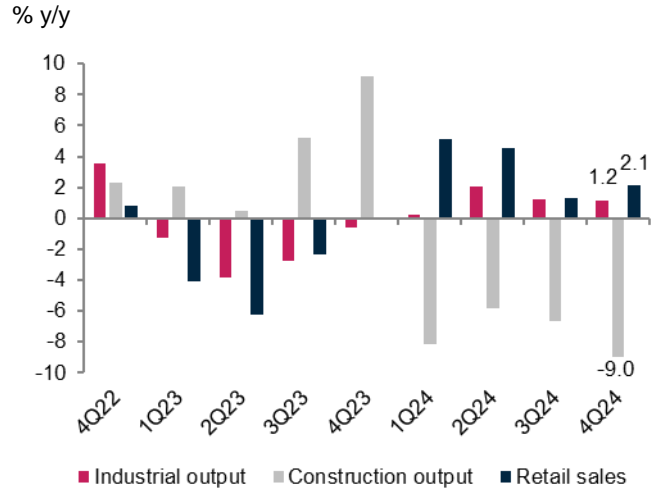
03 Appendices

Preliminary unaudited
4Q24/FY2024 results

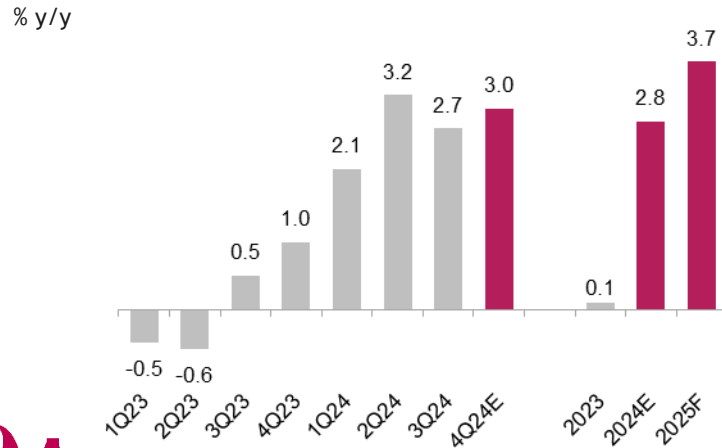


Economy

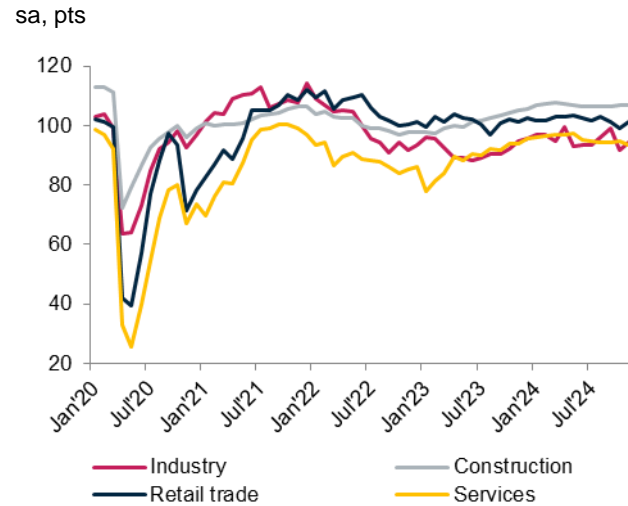
Data from real economy



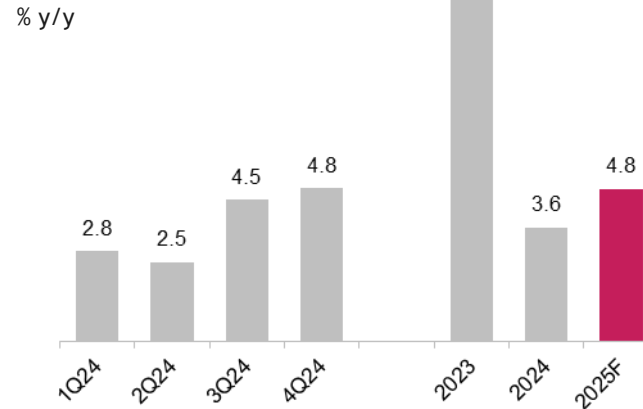
GDP growth rate



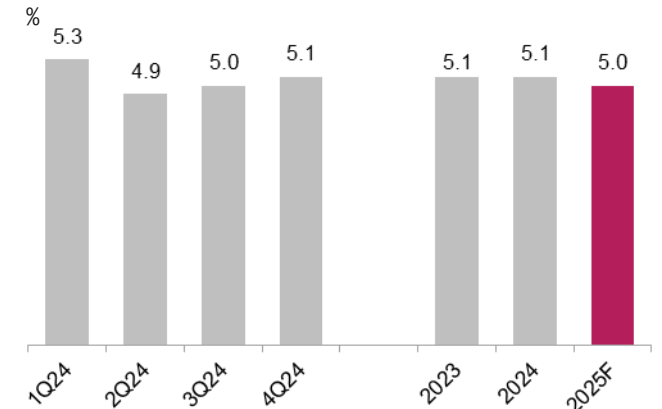
Economic sentiment indicators



CPI inflation



Registered unemployment rate



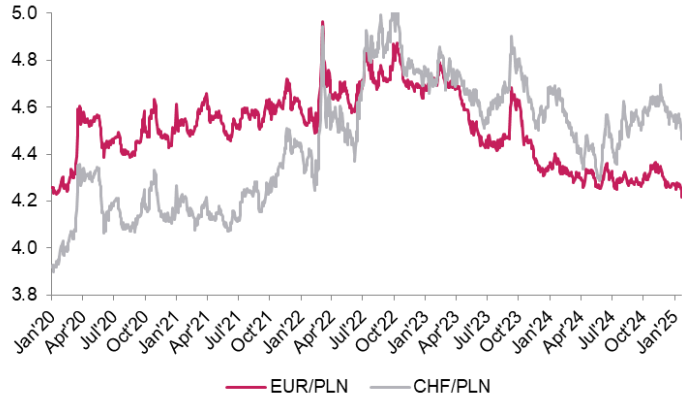
” According to the Bank estimates GDP growth in Poland accelerated in 4Q24 to 3.0% y/y from 2.7% y/y recorded in 3Q24. Domestic demand should be main pillar of the economy, while the lackluster growth in the economies of Poland’s main trading partners, especially in Germany, undermines the growth of external demand. For the whole of 2024 GDP is expected to grow by 2.8% compared to 0.1% in 2023. GDP growth in 2025 should accelerate to 3.7%. In 4Q24, CPI inflation in Poland increased to an average of 4.8% y/y from 4.5% y/y a quarter earlier. The Bank assumed an increase in CPI inflation in 2025 to 4.8% y/y from 3.6% y/y in 2024. However, from 2Q25 onwards, inflation is likely to be in a downward trend. Bank expects interest rate cuts in second half of 2025.



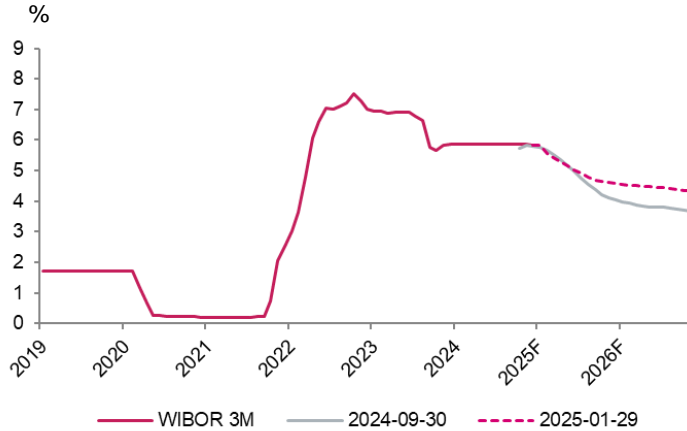
Source: GUS, Macrobond, Bank Millennium, E – estimate, F – forecast

Financial markets

Evolution of FX rates

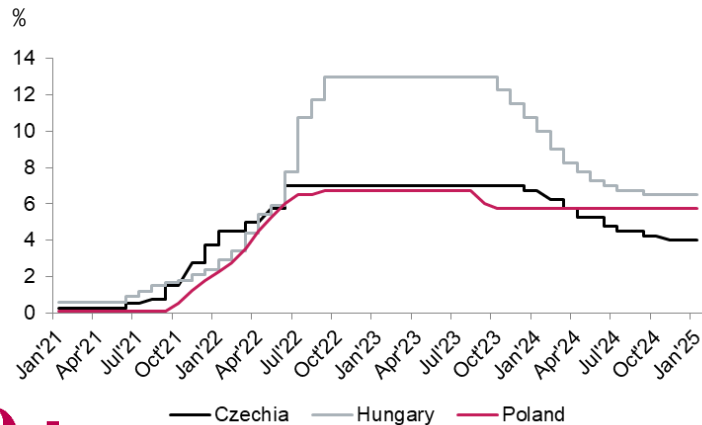


WIBOR 3M and market expectations

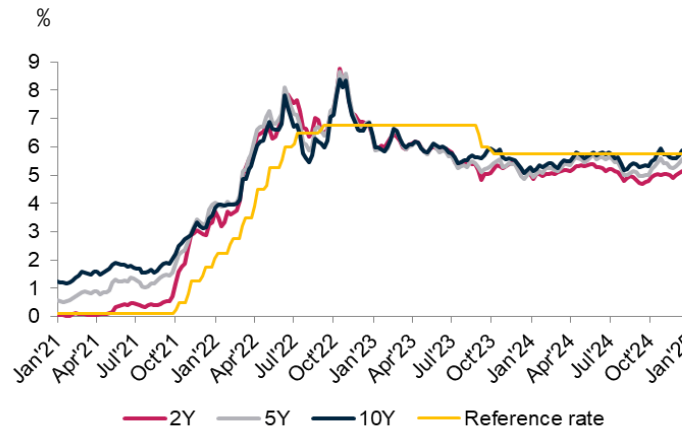


In the Bank's opinion prospect of starting a discussion about NBP interest rate cuts has prolonged until mid-2025. Until then, the MPC will probably refrain from considering cutting rates citing uncertainty about the path of inflation. Macroeconomic conditions should give room for easing monetary policy in 2025. Banks' current scenario assumes cutting rates cumulatively by 100 bp in 2H25. However, the pace and the scale of interest rate cuts in Poland remains uncertain. Outlook for the Polish Zloty is moderately positive. Stabilization remains the baseline scenario.

Official interest rates in CEE-3 countries



Polish T-bonds yields

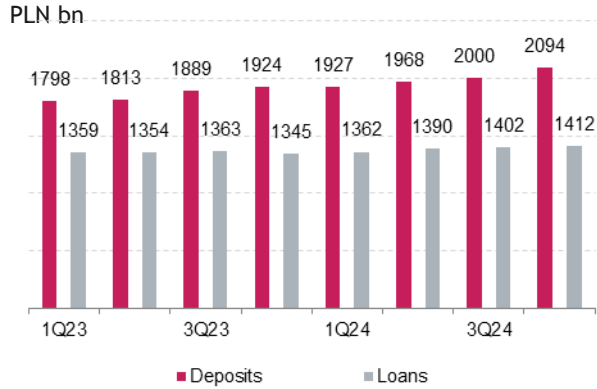


Spread of Polish 10Y bond to 10Y German benchmark

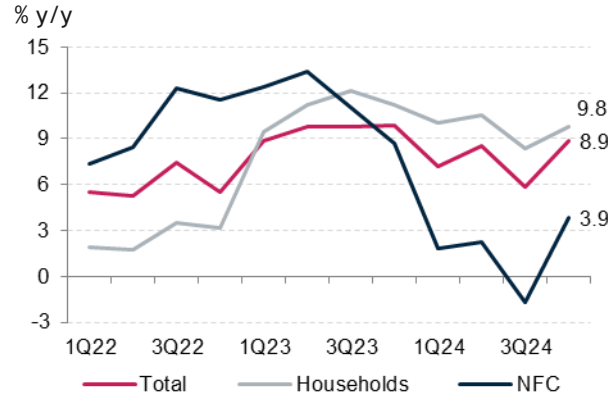


Deposits and loans in economy

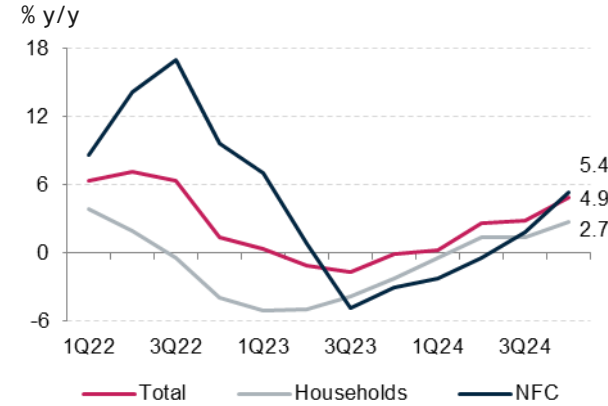
Total deposits and loans



Growth rate of deposits



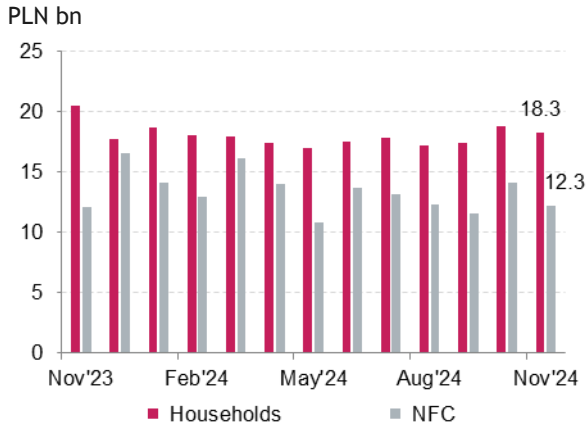
Growth rate of loans



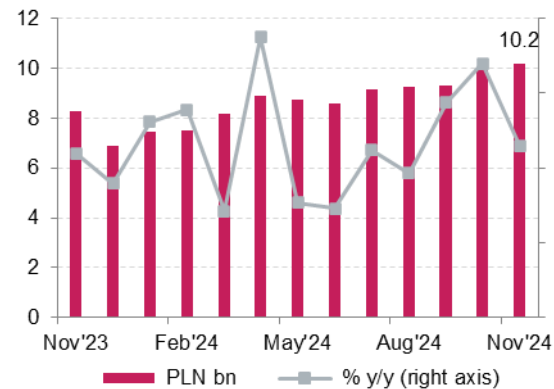
Deposits in the banking system continued to grow, although the pace of growth moderated slightly in 2H24. Some acceleration was observed in 4Q24 in deposits of non-financial companies reflecting good liquidity and low investments activity in corporate sector. Households' deposits continued to grow relatively quickly. This reflects good situation on labour market and increased propensity to save.



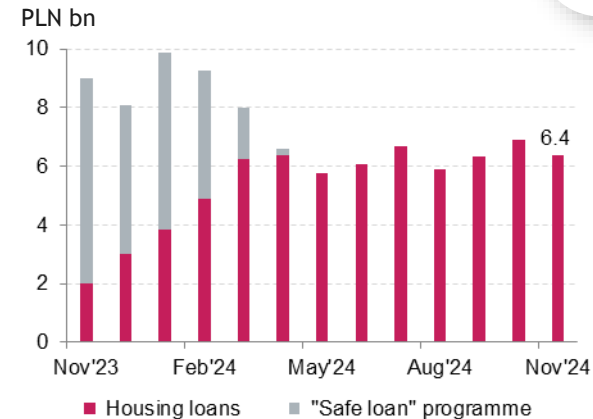
Newly originated loans



Newly originated consumer loans



Newly originated housing loans

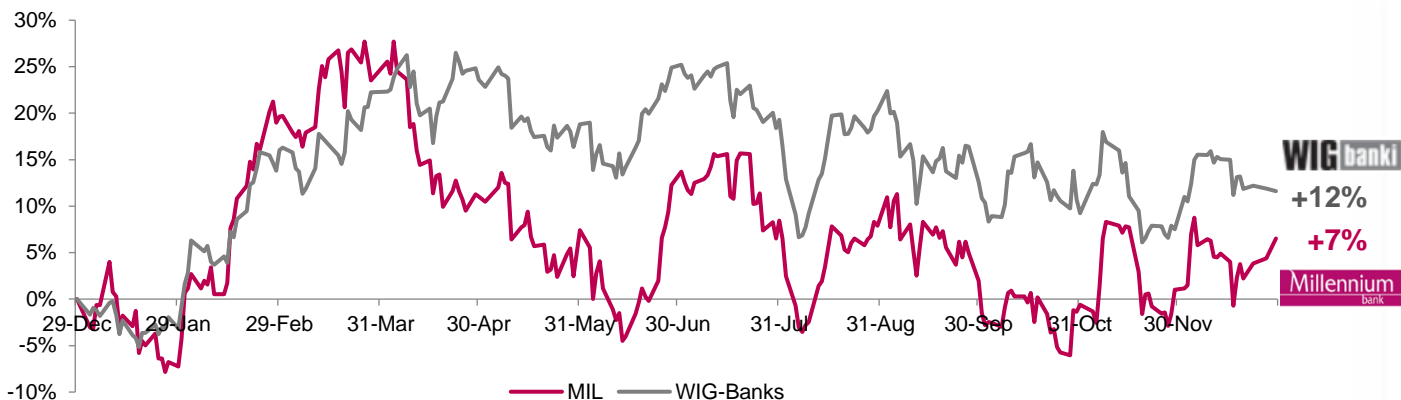


In 4Q24, overall credit creation in the economy was slowly growing. Among household loans, a slight upward trend in consumer loans has emerged. The value of newly granted housing loans was stable in 4Q24. Stable loan production was also recorded for non-financial corporations.



Bank Millennium's shares gained 7% in 2024

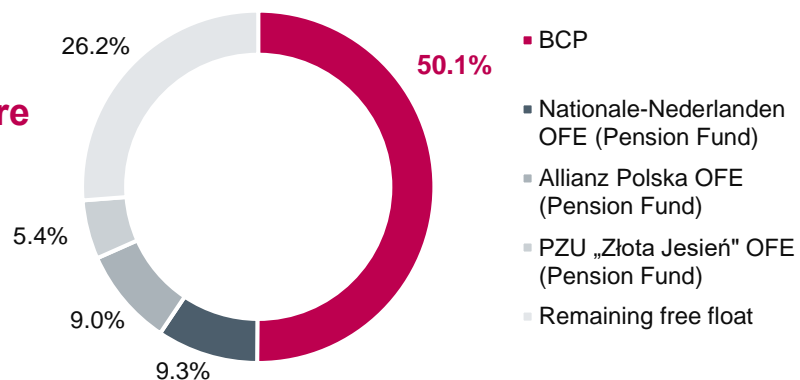
Annual change of Bank Millennium's share performance vs. WIG Banks index Ratings of Bank Millennium



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

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

Bank Millennium shareholders' structure (31.12.2024)



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

GREEN BOND ISSUE

- Bank Millennium placed its first Green Bonds issue of the nominal value of EUR500 million.
- The bonds were issued under the existing EMTN program as 5-year senior non-preferred debt securities with an early redemption option 4 years after the issue date.
- The issue attracted strong interest from investors, who subscribed for more than five times the number of bonds offered.
- The funds raised from the Green Bond issue will be used to finance and refinance energy-efficient properties or/and projects related to the production of energy from renewable sources that meet the criteria of the Green Bond Framework.
- Green Bond Framework and Sustainalytics' Second Party Opinion are available on the Bank's website: www.bankmillennium.pl/about-the-bank/investor-relations/debt-securities#zielone-obligacje

OFFER OF PRODUCTS AIMED TO SUPPORT SUSTAINABILITY

Bank Millennium

- Green loans for financing photovoltaic projects,
- Continuation of cooperation with **Bank Gospodarstwa Krajowego** as part of partnership programs:
 - **BiznesMax Plus and Ekomax** guarantees - instruments for the entrepreneur from the SME sector or small mid-caps or mid-caps.
 - **Investmax** - agreement with BGK on guarantees for the entrepreneur from the SME sector enable access to current and investment resources.
 - **Technological Loan** - co-financed by the European Funds for Modern Economy 2021-2027 (FENG) program, under Priority 2 „An Environment Fostering Innovation”.
 - **Ecological Loan** co-financed by the European Funds for Modern Economy 2021-2027 (FENG) program, under Priority 3 „Greening of Enterprises”.

Millennium Leasing

- **MilleSun** program (extended with heat pumps),
- **My Electric** program,
- Leasing of pro-ecological items - comprehensive financing of as many as 25 groups of green assets (57 items).

ESG activities

RESPONSIBLE BUSINESS FORUM (FOB)



Bank Millennium has joined the group of partners of the **Responsible Business Forum (Forum Odpowiedzialnego Biznesu)** - the largest non-governmental organization in Poland promoting sustainability issues on the Polish market.

Among the numerous initiatives of the FOB are:

- Chapter Zero Poland
- Diversity Charter
- Report "Responsible Business in Poland. Good Practices"
- Sustainability Reports Competition



SUPPORTING CULTURE

2024, Bank Millennium continued to support cultural events, among others:



- as the long-time **patron of the Millennium Docs Against Gravity** - the largest film festival in Poland (seven cities and online) that promotes human rights issues,



- as the long-time **sponsor of the International Traditional Jazz Festival Old Jazz Meeting "Złota Tarka"** in Iława - one of the most important events on the jazz map of Poland, also appreciated by foreign music circles.



ESG activities

SOCIAL AND ECOLOGICAL INITIATIVES



Our-People: Save the Planet is a sports and volunteering initiative, in which employees achieve sports goals, and the Bank provides funds to **promote and implement the volunteering** of the Millennium Bank Foundation.

The volunteering included **eco-initiatives** and, in connection with the flood crisis in southern Poland, also **projects supporting people affected by the effects of flooding**.

Additionally, Bank Millennium:

- has made available in its mobile app the possibility of easily transferring money to those in need - **Przelew Pomagam**.
- has provided a **grant of PLN 1 million to the Polish Red Cross and Caritas Polska** to support those affected by the recent flood.

BUILDING AWARENESS



Green Academy - program initiated in 2024 for the sales network and the headquarters employees cooperating with them in the field of financing investments.

The goal of supporting **acquiring knowledge and improving competencies in the area of selected practical aspects of ESG** is better understanding the perspective and needs of customers and effective identifying sales potential to allow to develop the Bank's **green financing portfolio**.



In 2024, the Millennium Bank Foundation continued **„Financial ABC”** program of the **financial education for pre-schoolers** implemented by employees in partnership with the NGO.

THE MILLENNIUM ECO-INDEX



„The Millennium Eco-Index: the eco-innovation potential of regions” report analyses 16 Polish voivodeships in terms of green innovation development and supports the discussion on the transformation of the Polish economy.

It is an original project of Bank Millennium created in cooperation with substantive partners: AGH University of Science and Technology in Krakow, Warsaw School of Economics and the Patent Office of the Republic of Poland.

In 2024, the authors have updated the methodology by adding the area of the circular economy to the report. Eco-index 2024 is now based on an analysis of 5 sub-indexes:

- Eco-innovation inputs,
- Eco-innovation effects,
- Socio-economic activity in the area of eco-innovation,
- Resource efficiency,
- Closed-loop economy (new to this year's report).

The most important awards and achievements of Bank Millennium in 2024



Bank Millennium is the Best Bank in Poland!

The Bank won the Newsweek ranking for the second year in a row, taking a double crown - winning in both the "Traditional Banking" and "Remote Banking" categories.



Bank Millennium is one of the best employers in Poland

Bank Millennium receiving the prestigious title of Top Employer Polska 2024. This distinction, confirming the Bank's application of high standards in the field of human resources management and HR practices and the strong position of Bank Millennium as one of the best and valued employers.



2nd position in the new Ranking of Banks for Affluent Clients of Forbes magazine

According to the organizers, the three best banks in the ranking offer by far the highest quality of affluent customer service and have taken care of the entire customer service path, leaving the others behind.



2nd position in the Company-Friendly Bank ranking of Forbes magazine

Bank Millennium has been recognised as one of the top three banks in serving business customers. Banks were evaluated in four categories – "Service quality", "Customer acquisition", "Remote service channels" and "Branch features".

Awards for digital channels in 2024

- Newsweek's Friendly Bank – 1st place for Remote Banking
- Best Digital Consumer Bank in Poland and 13 other titles in Global Finance ranking for digital solutions for individual and corporate clients
- Institution of the Year 2024 – Best remote process of opening a bank account
- Institution of the Year 2024 – 2nd place for mobile app
- Institution of the Year 2024 – 4th for online banking
- Golden Banker – 2nd place – Digital banking (online/mobile)
- PayTech Awards – Best Consumer Cards Initiative for Omnichannel Credit Card Application & Digital Service
- Global Finance Innovators 2024 - Top Innovator in Finance 2024 for Best UX for Corporates (for mobile app)
- Mobile Trends Awards – mobile app for companies in the finals
- The Digital Banker Global Retail Awards 2024 – Best SME Mobile Banking App



**Bank Millennium won
Mobile Bank ranking by
cashless.pl**

The ranking presents the banks that best meet the requirements of modern customers who prefer to use financial services on mobile devices.

cashless.pl

P&L in brief

[PLNmn]

	2023	2024		Change Y/Y	3Q24	4Q24		Change Q/Q
Net interest income	5 253	5 530	→	5%	1 489	1 505	→	1%
<i>Including cost of holidays</i>	-9	-113	→	-	44	45	→	-
<i>Net interest income without credit holidays</i>	5 263	5 643	→	7%	1 445	1 460	→	1%
Net commission income	782	777	→	-1%	199	188	→	-5%
Other non-interest income	687	-311	→	-	-27	-98	→	-
Operating income	6 723	5 996	→	-11%	1 660	1 595	→	-4%
General and administrative costs	-1 781	-2 026	→	14%	-496	-537	→	8%
Depreciation	-212	-226	→	7%	-57	-59	→	3%
Total operating costs	-1 993	-2 253	→	13%	-553	-596	→	8%
Net cost of risk *	-299	-319	→	6%	-123	-5	→	-96%
Other modification	-52	-138	→	165%	-35	-61	→	75%
FX legal risk provision	-3 065	-2 179	→	-29%	-533	-523	→	-2%
<u>Operating profit</u>	1 312	1 107	→	-16%	416	410	→	-1%
Banking tax	0	-232	→	-	-99	-99	→	0%
<u>Pre-tax profit</u>	1 312	875	→	-33%	317	311	→	-2%
Income tax	-737	-156	→	-	-127	-139	→	9%
Net profit	576	719	→	25%	190	173	→	-9%

(*) 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

[PLNmn]

	31.12.2023	30.09.2024	31.12.2024	Change Y/Y	
ASSETS	Cash and balances with the Central Bank	5 095	7 092	5 179	2%
	Loans and advances to banks	793	418	435	-45%
	Loans and advances to customers	73 643	75 542	74 981	2%
	Amounts due from reverse repo trans.	1 163	216	194	-83%
	Debt securities	41 009	48 268	54 207	32%
	Derivatives (for hedging and trading)	572	528	368	-36%
	Shares and other financial instruments	148	166	147	0%
	Tangible and intangible fixed assets	1 047	1 072	1 146	9%
	Other assets	2 049	2 285	2 494	22%
	Total assets	125 520	135 588	139 152	11%
LIABILITIES AND EQUITY	Deposits and loans from banks	564	293	317	-44%
	Deposits from customers	107 246	113 981	117 257	9%
	Liabilities from repo transactions	0	216	194	-
	Financial liabilities at fair value through P&L and hedging derivatives	773	775	525	-32%
	Liabilities from securities issued	3 318	5 594	6 125	85%
	Provisions	1 445	2 771	2 901	101%
	Subordinated liabilities	1 565	1 560	1 562	0%
	Other liabilities	3 714	2 752	2 499	-33%
	Total liabilities	118 625	127 943	131 380	11%
	Total equity	6 895	7 645	7 772	13%
Total liabilities and equity	125 520	135 588	139 152	11%	

Investor relations contact

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