



BANK MILLENNIUM GROUP

Presentation of 9M20 results



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.

Euro Bank related financial data is presented as follows: P&L items for the last 7 months of 2019, in the balance at the end of June and December 2019 and in sales data as indicated on the charts.

The data is based on published financial reports with two pro-forma adjustments:

- The Bank prepares its financial statements according to International Financial Reporting Standards, therefore only interests from derivatives meeting formal hedge accounting principles are recorded as Net Interest Income while other interest from derivatives is booked in results on financial assets and liabilities held for trading. As this hedge accounting relationship changes through time and does not necessarily include the entire portfolio of FX, Currency and Interest Rate swaps, the Bank provides in this presentation pro-forma data which presents all margin from derivatives in Net Interest Income. In the Bank's opinion, aforementioned approach allows better understanding of Net Interest Income evolution as it reflects substance of the derivatives transactions which are related to the liquidity management of the assets and liabilities in foreign currencies.
- 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.

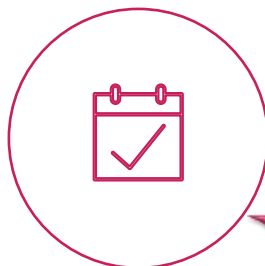
This presentation should not be treated as a recommendation to purchase securities, an offer, invitation or a solicitation of an offer to purchase, invest or conclude any transaction on securities, in particular with respect to securities of Bank Millennium.

WHAT WE ARE PARTICULARLY PROUD OF THIS QUARTER



NII AND CORE INCOME

Stabilisation of NII and core income with NII having passed its trough

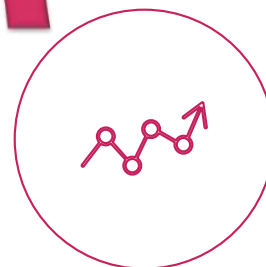


MORTGAGE LOANS

New quarterly record of mortgage loan originations (3Q: PLN1.8 billion, up 15% q/q, 9M20: PLN 4.7 billion, up 54% y/y) translating into market share of c14% in 3Q20

DIGITAL BANKING

Number of active digital customers crossing the 2 million mark (up 27% y/y), number of active mobile customers exceeding 1.6 million (up 33%) and over 2 million downloads of goodie application



MUTUAL FUNDS

AuM of Millennium TFI and third party funds combined grew 13% q/q to nearly PLN6.0 billion almost entirely offsetting outflows in 1Q20



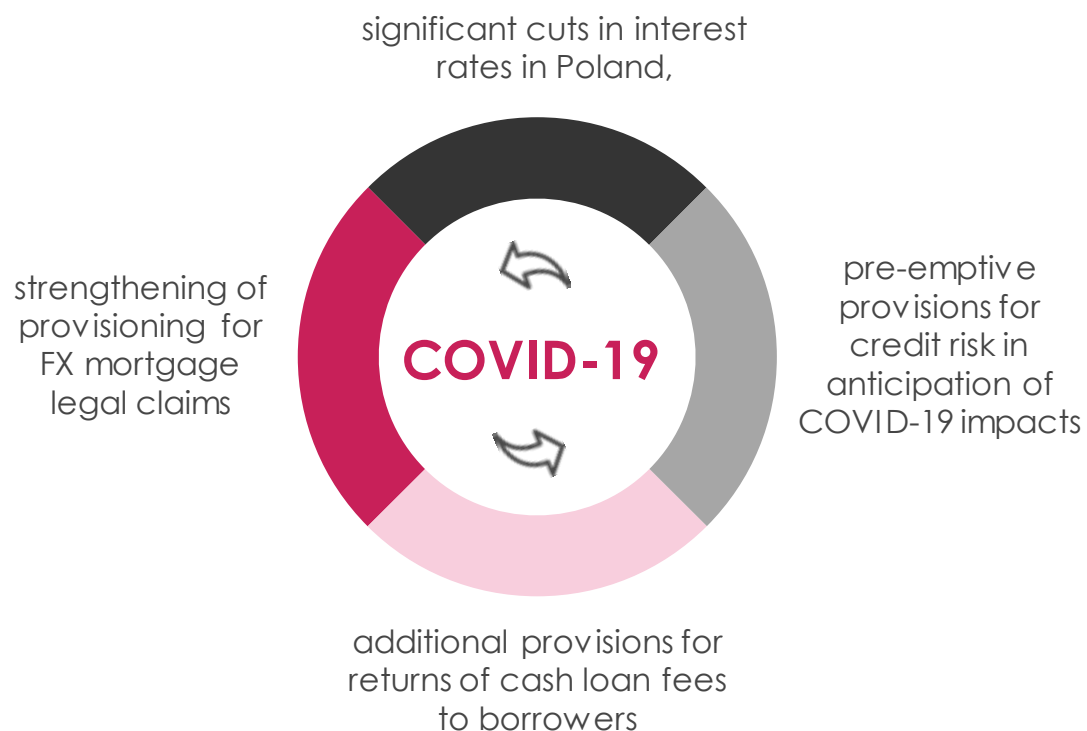
PRESENTATION OF 9M20 RESULTS

- > **Covid-19 impacts and the Bank's response**
- > Euro Bank integration and further efficiency improvements
- > Financial performance
- > Business development
- > Appendices

9M20: EXECUTIVE SUMMARY

Background of Bank Millennium Group's activity during 9M20

Thus far year 2020 for Bank Millennium is marked by the impact of COVID-19 crisis and subsequent events.



Against this background, the Bank has focused its attention on:

- ✓ protecting health of employees and customers
- ✓ ensuring business continuity
- ✓ mitigation measures at the level of risk management
- ✓ execution of the synergies plan resulting from Euro Bank acquisition
- ✓ additional cost cutting measures with relevant impact already in 2020
- ✓ mitigation repricing decisions on both deposits and loans side

BANKING IN COVID-19 PANDEMIC AND A SLOW RETURN TO 'NEW NORMAL'

We supported our clients and employees during the pandemic
Now business slowly returning to branches and staff to the HQs

Support for customers:

- **Contactless card transactions** up to PLN100 without PIN
- Most transactions can be done safely and **remotely from home**
- **Fully online current account opening** with the use of selfie
- Implementation of **new application for Good Start benefit programme**
- **Dedicated website** and banner communication on the portal
- **Personalized campaigns**; SMS message, PUSH, Inbox in Millenet and mobile app, context messages in the system and on the website
- **Credit holidays and online cash loans sales**
- **Online tracking of mortgage application**
- **Access to PUE ZUS platform** allowing access of tourist vouchers
- **Increasing share of electronic signage** in processes in corporate b.

Flexible reaction to changing pandemic conditions:

- **c50%** HQ and corporates sales employees working in the office in July and August; **HQ presence cut to 33% on a rotational basis** since August 31 and further limitations introduced in mid-October
- Traffic at BM and franchise branches reached **c70% of pre-Covid** and stabilised thereafter
- Branch network returned to normal functioning while protection measures/procedures were maintained in full

Individuals > E-banking > Bank safely

Bank securely **straight from your home**

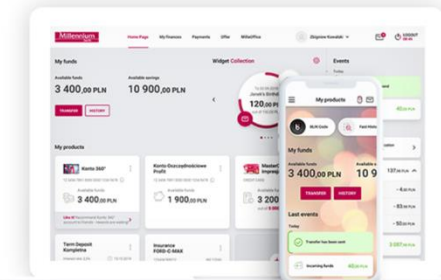
Check how we operate in reference to the epidemic

A man in a light blue shirt looking directly at the camera.

You can do so much **without leaving your home**

Remember that in Millenet and mobile app you will make most transactions safely and remotely

- ✓ Bank Millennium mobile app and Millenet online banking system are available 24/7
- ✓ you can sort out many administrative matters through Millenet online banking system in MilleAdministration tab
- ✓ pay for online shopping and in a stationary store make contactless payments by phone or card



INDIVIDUALS PRESTIGE PRIVATE BANKING FIRMS CORPORATE

You can submit **300+ application online**, without visiting the office

From 1 July, in Millenet you will find Good Start 300+ benefit application

A family (father, mother, and child) sitting together and looking at a laptop screen.

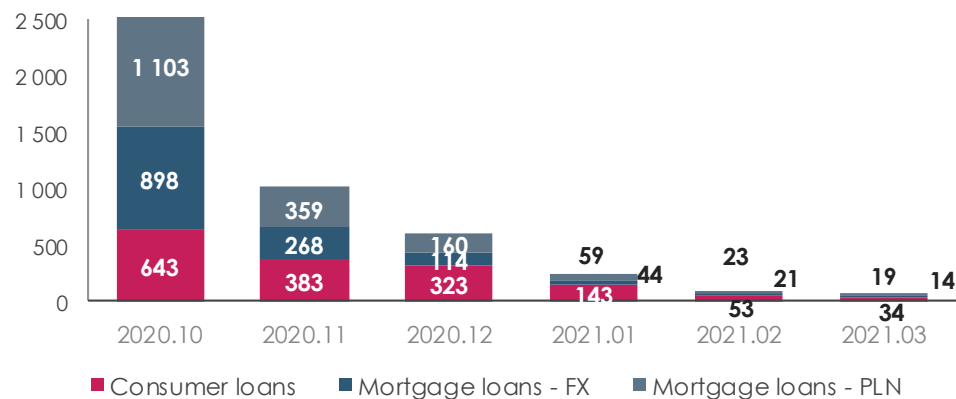
BANK MILLENNIUM'S SUPPORT FOR CLIENTS AMIDST COVID-19 PANDEMIC

Temporary credit holidays

Loans exposure with active credit holidays as on September 30, 2020

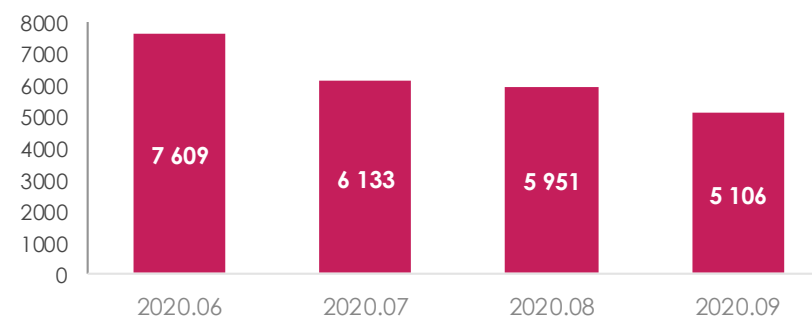
Category	Exposure [PLNmn]	% of outstanding
Retail o/w:	4 637	8.2%
Mortgage loans - foreign currency	1 351	9.2%
Mortgage loans - PLN	1 715	6.8%
Consumer loans	1 571	9.2%
Corporate	188	1.6%
Millennium Leasing	281	4.3%
Total	5 106	6.8%
Of which public moratoria	16	0.0%

Portfolio with active credit holidays by expiry date



Portfolio with active credit holidays

(PLNmn)



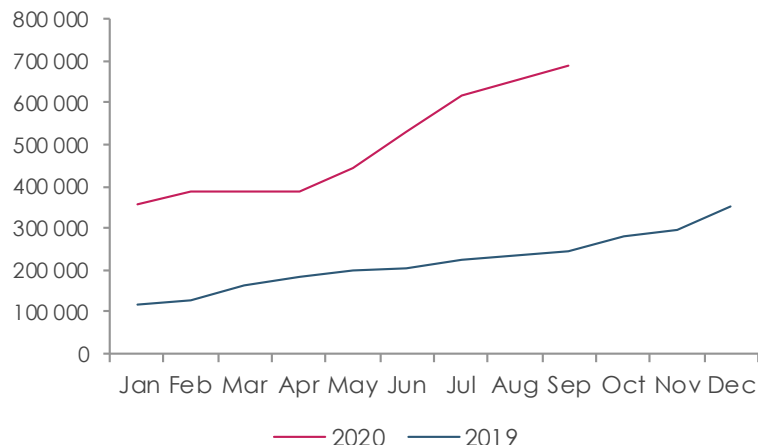
Expired credit holidays:

As on 30th of September only 1% of loans under credit moratoria that had expired in Jun-Aug were in 30DPD

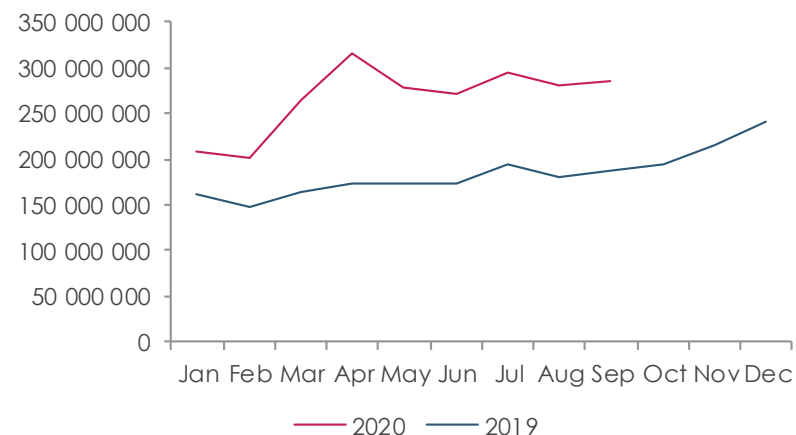
COVID-19 PANDEMIC ACCELERATED CHANGE IN CUSTOMERS' HABITS

E-payments returned to steady uptrend after trading/movement restrictions in the early stage of the pandemic

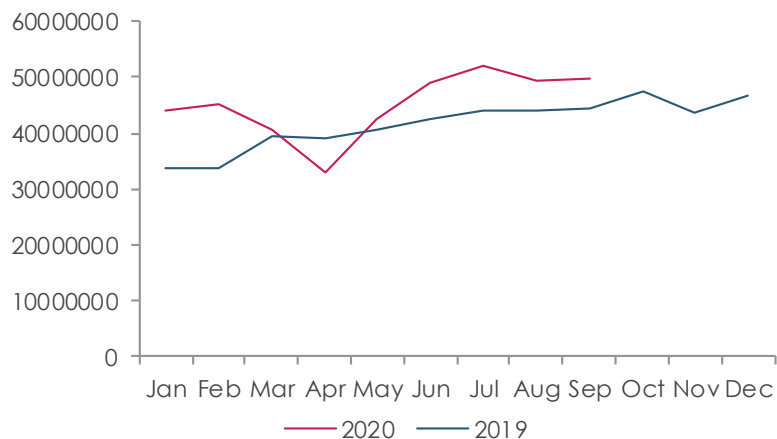
BLIK P2P – number of transactions



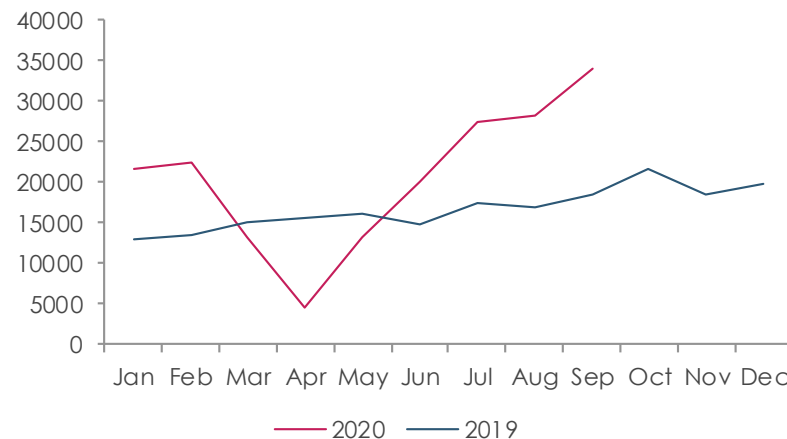
PayByLink – the total amount of the transaction



Debit cards – number of transactions



MoBilet parking tickets – number of transactions



THE BANK'S RESPONSE TO THE CRISIS

The Bank focused the response on ensuring business continuity, introducing measures to maximize employee and customer protection against COVID-19 contamination, but also started a deep revision of the Bank's short term plan

- The bank is facing severe unprecedented crisis conditions related to COVID-19 pandemic
- The situation impacts the Bank both at operational and economic/financial levels, requiring complex response
- Every crisis, apart from risks, also brings new opportunities, shifting market conditions

Crisis response had 3 major phases:



**Crisis management
& business continuity**
(Immediate reaction)

Phase 1

Bank focused on the crisis management stage, ensuring availability of key processes and limiting panic reactions of both Customers and Employees.



**Effective management
in crisis conditions**
(Short term)

Phase 2

Preparation to maximize level of resilience and prepare for any macroeconomic & financial scenario



Recovery & New Normal
- adjusting to post-crisis conditions
(Long term)

Phase 3

Understand new normal, identify opportunities, adjust services and processes ahead of competitors

Coordination Management Team for Pandemic

New Project - Millennium through COVID-19

Preparing 2021

PROJECT 'MILLENNIUM THROUGH COVID-19'

We aim to cut the earlier planned 2020 opex by 10%* (capex by 17%), recover revenues and increase share of digital sales

- Results in 2020 will be negatively impacted by the significant interest rate cuts and additional provisions for FX mortgage loans legal risk
- In this context, the Bank adopted mitigation measures that are already providing relief, namely through:

Reduction of the cost of deposits
following the 140bp interest rate cut

Cost reduction
by accelerating the plan of capturing the cost synergies from the Euro Bank acquisition and further delivering cost savings of 10%* in 2020 alone

Careful management of credit risk, with more conservative provisioning in 1H20 and tight monitoring which may help to mitigate the potential negative impacts from the crisis on asset quality, although more clear picture will only come after the end of credit holidays period used by part of clients



Millennium
bank

Accelerating digitalisation of sales & service and internal processes. Maintaining the focus on **business development**, especially on mortgage loans

(*) excluding Euro Bank related integration costs and BFG costs



PRESENTATION OF 9M20 RESULTS

- > Covid-19 impacts and the Bank's response
- > **Euro Bank integration and further efficiency improvements**
- > Financial performance
- > Business development
- > Appendices

EB INTEGRATION AND FURTHER OPERATIONAL EFFICIENCY IMPROVEMENTS

Integration synergies in a steady up-trend,

(PLNmn)

Integration costs and synergies

	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	3Q20
Integration costs*	-2.0	-17.8	-44.3	-52.2	-116.3	-30.1	-5.2	-17.3
- o/w depreciation	-	-	-	-0.8	-0.8	-0.4	-0.5	-0.7
Additional provisions on Euro Bank portfolio**	-	-80.6	-8.0	-	-88.6	-	-	-
Total negative impact (pre-tax)	-1.9	-98.4	-52.3	-52.2	-204.9	-30.1	-5.2	-17.3
Synergies	-	-	-	23.4	23.4	25.0	37.1	48.3
Net impact (pre-tax)	-1.5	-79.7	-42.4	-23.2	-146.9	-5.1	31.9	31.0

- **Integration costs** incurred to date represent 74% of the new plan. In 9M20, HR related opex accounted for nearly 60% of total integration costs in the period. **Overall 2020 integration opex target is PLN71mn.**
- **Positive net synergies continued in 3Q20.** Gross synergies increased substantially q/q and are expected to increase further in subsequent quarters. 2020 gross synergies target remains at PLN155mn+, 2021 at PLN 210mn+ while 2022 at cPLN220mn.

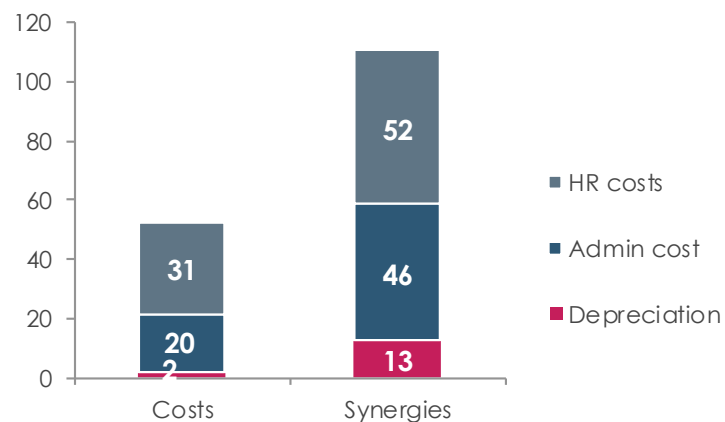
(*) Costs: P&L OPEX directly related to Euro Bank acquisition, merger and integration. Expenses: additionally there was a PLN37mn PPA adjustment, while capex totalled PLN33mn in 2019;**) 12-month expected credit loss (ECL) estimated on fair value of loan portfolio in accordance with IFRS 9 (on D1 in 2Q19) plus extra provisions on normal loans being subsequently reclassified after D1.

OPERATING EFFICIENCY IMPROVEMENTS

- Former EB integration process was enhanced by near term efficiency improvement initiatives

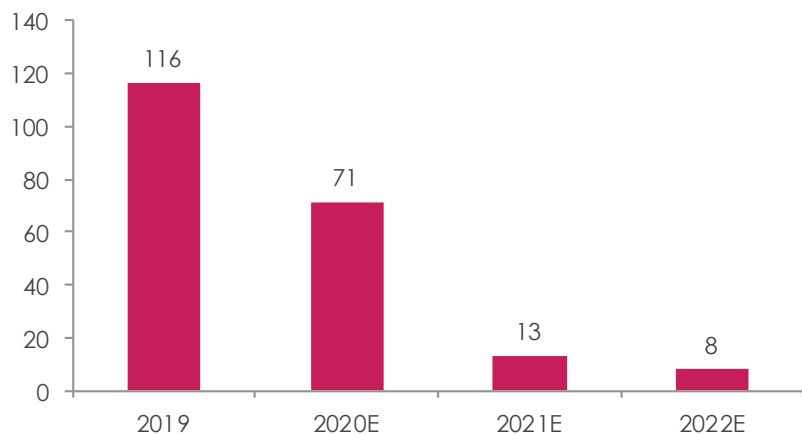
9M20 P&L* integration costs and synergies

(PLNmnn)



Integration costs* (P&L)

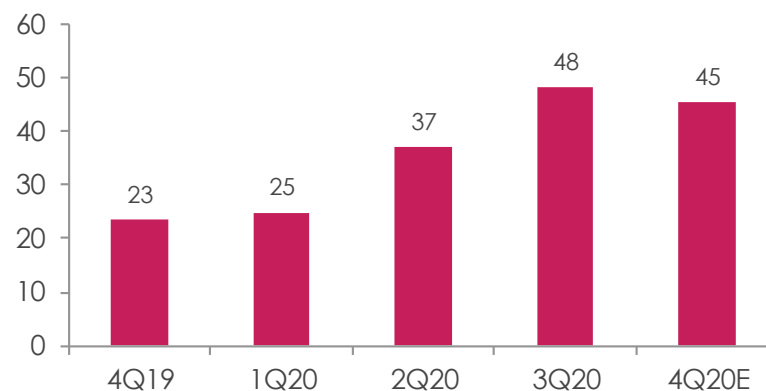
(PLNmnn)



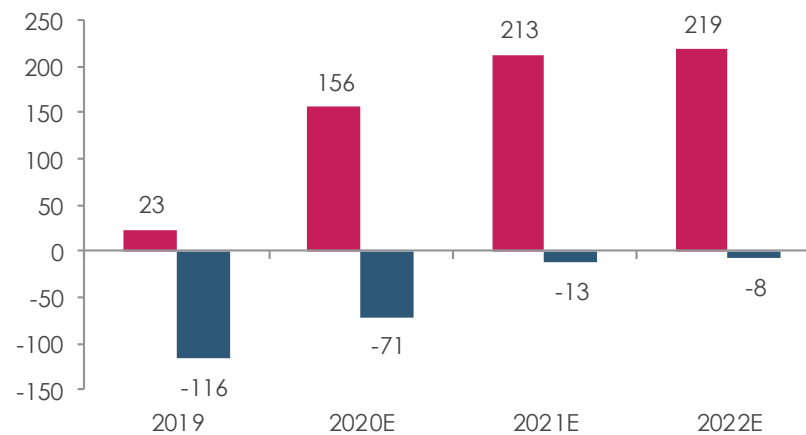
(*) Pre-tax.

Targeted synergies* in 2020 (gross)

(PLNmnn)



Targeted P&L synergies* and integration* costs in 2019-22E (PLNmnn)





PRESENTATION OF 9M20 RESULTS

- > Millennium Through Covid-19
- > Euro Bank integration and instant efficiency improvements
- > **Financial performance**
- > Business development
- > Appendices

KEY PROFIT & LOSS ITEMS

PLNmnn	1-3Q20	1-3Q19	Change Y/Y	3Q20	2Q20	Change Q/Q
Net interest income	1 958.4	1 789.9	9.4%	628.6	640.2	-1.8%
Net commission income	553.3	516.5	7.1%	179.8	179.0	0.4%
Total operating income	2 668.3	2 517.4	6.0%	887.2	860.3	3.1%
Total costs	-1 335.1	-1 236.1	8.0%	-412.1	-405.1	1.7%
Costs without EB integration and BFG	-1 142.1	-1 062.4	7.5%	-367.5	-371.9	-1.2%
Loan loss provisions (incl. Covid-19)	-513.2	-366.6	40.0%	-150.3	-165.9	-9.4%
FX mortg. risk provisions	-297.7	-	-	-129.7	-112.7	15.0%
Banking tax on assets	-209.0	-178.9	16.9%	-67.8	-68.4	-0.9%
Net Profit	131.9	533.8	-75.3%	60.1	53.6	12.2%
Net profit without extraordinary items*	583.2	647.0	-9.9%	189.3	204.1	-7.3%
NIM	2.63%	2.79%	-0.17 pp	2.49%	2.58%	-0.09 pp
Cost/Income adjusted (*) ytd	46.8%	46.6%	+0.2 pp			
Cost of risk adjusted (*) ytd	80 bp	61 bp	+24 bp			
ROE ytd	2.1%	8.5%	-6.4 pp			
ROE adjusted (*) ytd	8.5%	10.0%	-1.5 pp			

(*) Extraordinary items: in 1-3Q20: 1. integration costs (PLN52.6mn gross), 2. PLN298mn provisions for FX mortgage legal risk (gross), 3. PLN69.3mn (gross) for Covid-19 risk, 4. PLN60.5mn (gross) provisions for the return of commissions from loans repaid earlier by clients, 5. linear distribution of BFG resolution fund fee of PLN58.2mn in 1-3Q19: 1. integration costs (PLN64.1mn gross), 2. PLN26.9mn (gross) release of tax asset provision 3. PLN45 million of positive revaluation of shares in PSP 4. PLN32mn (gross) provisions for the return of commissions from loans repaid earlier by clients, 5. acquisition related extra provisions for Euro Bank of PLN88.6mn, 6. linear distribution of BFG resolution fund fee of PLN73.3mn

KEY BALANCE SHEET ITEMS AND OTHER RELEVANT INDICATORS

PLNm	Sep. 20	Sep. 19	Change Y/Y	Jun. 20	Change Q/Q
Active customers (ths) (*)	2 631	2 016	615	2 617	14
inc. on-line and mobile (*)	2 022	1 589	433	1 971	51
Customer funds	94 133	89 116	5.6%	93 904	0.2%
Deposits	85 852	80 341	6.9%	86 255	-0.5%
Deposits of individuals	61 933	60 599	2.2%	63 436	-2.4%
Loans	72 590	69 481	4.5%	71 508	1.5%
FX mortgage loans excl. EB	13 515	14 186	-4.7%	13 790	-2.0%
Loans without FX mortgage	58 084	54 170	7.2%	56 715	2.4%
L/D	84.6%	86.5%	-1.9 pp	82.9%	1.7 pp
Impaired loan ratio (**)	4.7%	4.4%	0.3 pp	4.9%	-0.2 pp
Coverage ratio (***)	68.0%	62.4%	5.6 pp	65.8%	2.2 pp
CET1 = T1	17.0%	17.1%	-0.1 pp	17.0%	0.0 pp
TCR	20.0%	20.2%	-0.2 pp	20.0%	0.0 pp

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

FINANCIAL HIGHLIGHTS OF 9M20/3Q20

Lower interest rates and extraordinary items taking a toll on the results but adjusted 9M20 ROE at 8.5%



PROFIT AFFECTED BY DIRECT/INDIRECT IMPACT OF COVID

PLN132mn

(3Q20: PLN60mn) or **PLN583mn** (3Q20: PLN189mn) once adjusted for extraordinary items

46.8%

Cost/income adjusted* (3Q20: 46.1%)



HIGH ASSET QUALITY AND LIQUIDITY KEPT

4.7%

Impaired loans ratio

92bp

Cost of risk (80bp ex-Covid-19 provision)

PLN290mn

Provisions against FX-mortgage risk (Σ = PLN521mn or 3.8% of the portfolio)

85%

Low level of loans to deposits ratio



NEUTRALISING PRESSURE OF LOWER INTEREST RATES AND PANDEMIC

9%

Net interest income y/y (3Q20: -2% q/q with subsequent quarters likely to bring growth)

-62%

Interest cost slashed q/q (3Q20 deposit cost of 0.23% v.s. 1.03% in 1Q20)

7%

Net commission income y/y (3Q20: flat q/q but fee income was +5% q/q)

-7.0%

Pro-forma operating costs in y/y terms



SOLID CAPITAL AND LOWER REGULATORY BUFFERS

20.0%

Group's Total Capital Ratio (TCR), 465bp above statutory minimum requirement

17.0%

Group's CET1 ratio 483bp above statutory minimum requirement

4.87%

FX-risk buffer (Group) equivalent to PLN1.8bn of risk absorption capacity

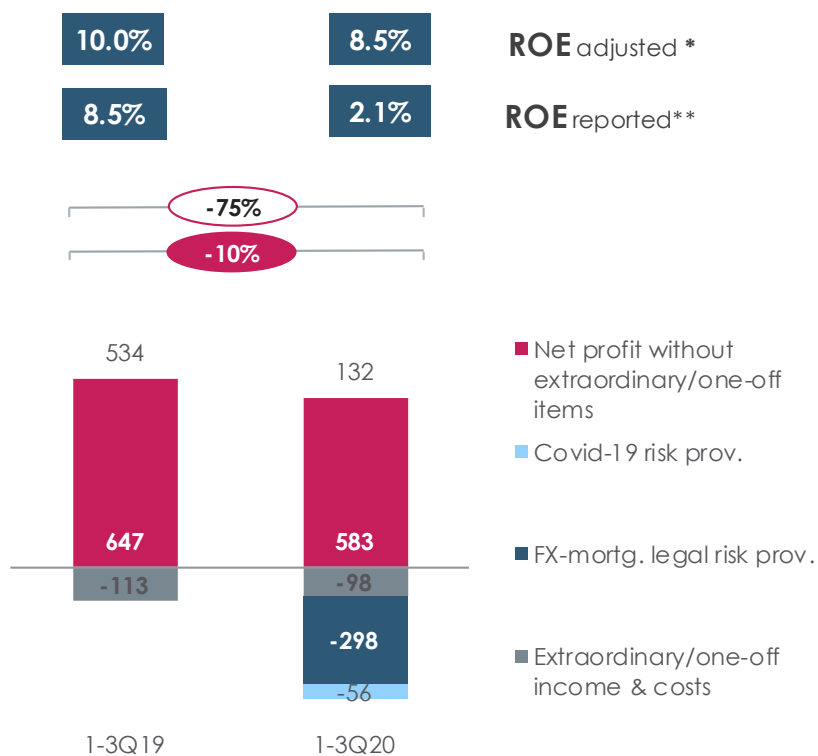
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PROFITABILITY

Without Euro Bank integration cost and extraordinary items
1-3Q20 ROE at 8.5%; operating income up 6% y/y

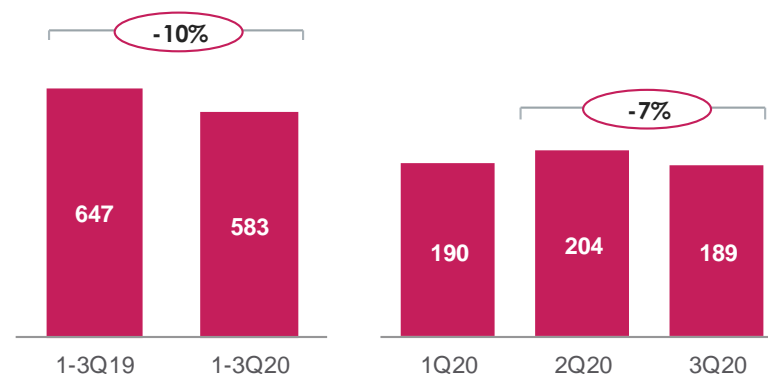
Net profit ytd

(PLNm)



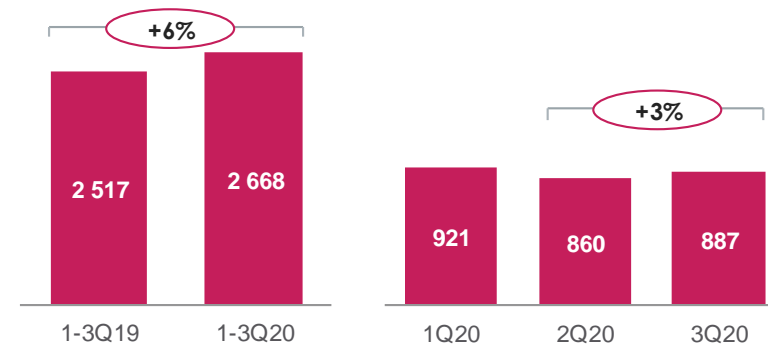
Net profit w/o extraordinary items

(PLNm)



Operating income

(PLNm)



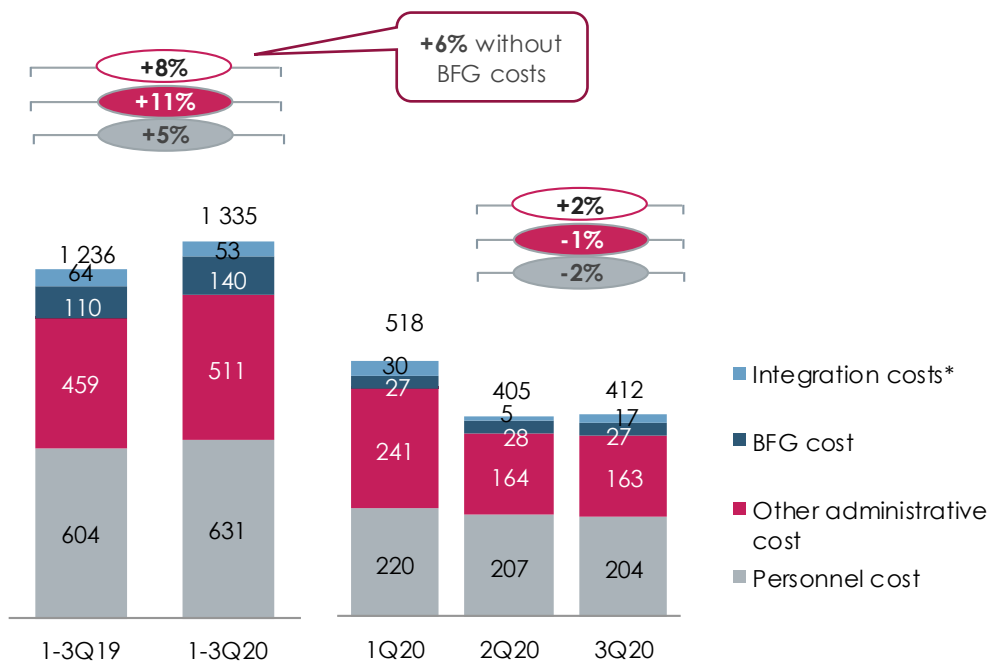
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COST EFFICIENCY

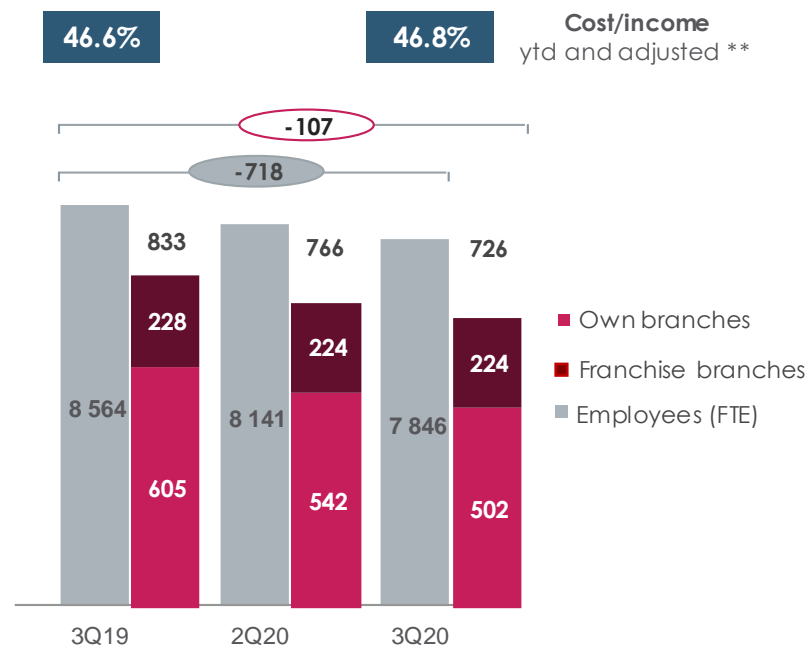
Costs down 7% y/y vs. pro-forma 9M19

Operating cost

(PLNmn)



Cost/ income, branches and staff



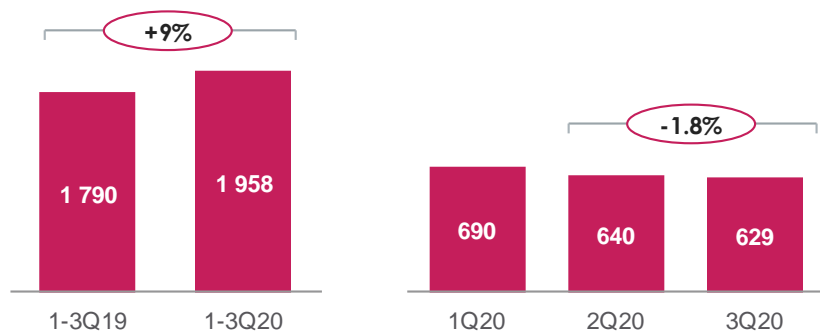
(*) additional administrative costs directly related to Euro Bank acquisition, merger and integration process (PLN64.1mn in 1-3Q19 and PLN52.6mn in 1-3Q20, of which PLN31.3mn for staff restructuring)
 (**) without one-off income and integration costs; with equal distribution of BFG resolution fee through the year

INTEREST AND COMMISSION INCOME

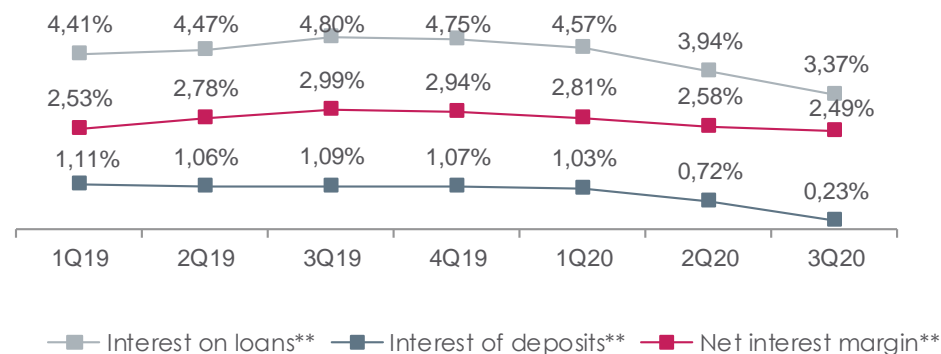
- 1-3Q20 NII up 9% y/y while net fees up 7% y/y
- 3Q20 NII nearly flat with the much lowered deposit cost boding well for NII further out

Net interest income *

(PLNmnn)

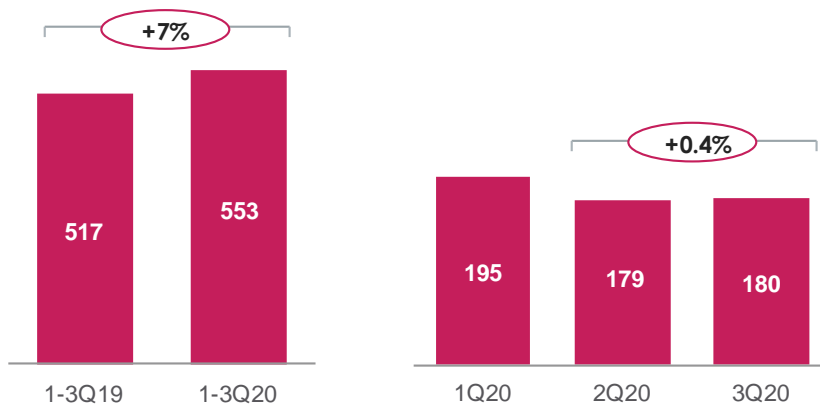


Interest on loans and deposit (quarterly average)



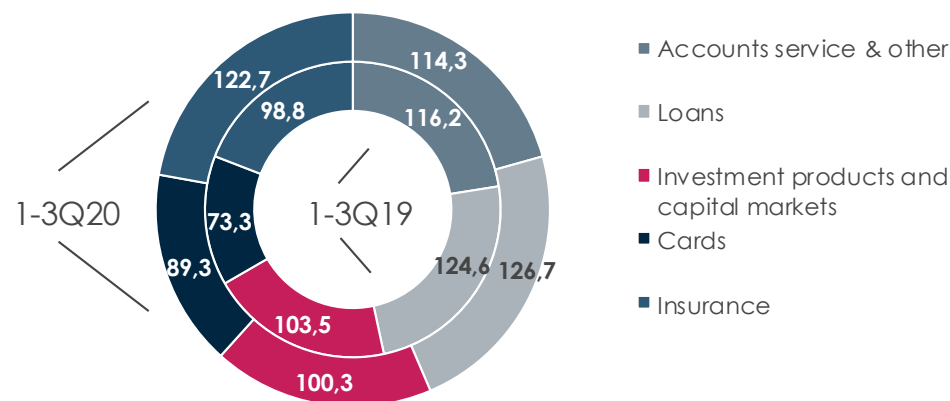
Net fees

(PLNmnn)



Fee income structure

(PLNmnn)



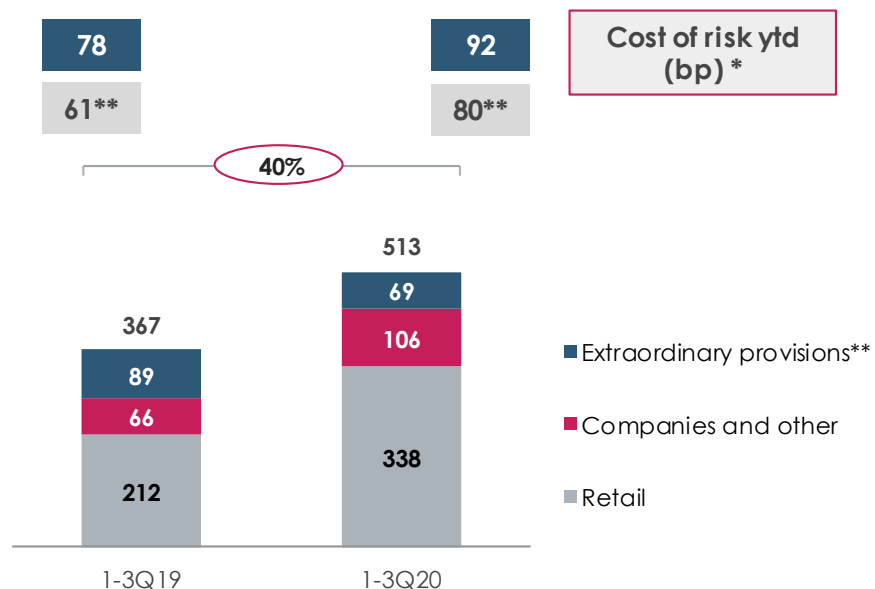
(*) Pro-forma data: margin from all derivatives hedging FX loans is presented in NII, whereas in accounting terms part of this margin (PLN31.3mn in 1-3Q20 and PLN45.7mn in 1-3Q19) is presented in results on financial assets and liabilities held for trading (**) including Euro Bank since 1st June 2019, NIM and loans yield include interest from swaps

ASSET QUALITY

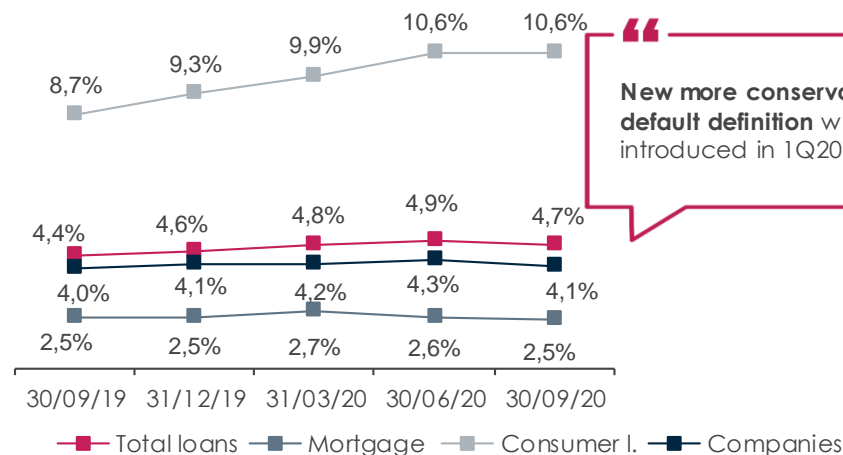
After slight deterioration of credit quality in 2Q20 an improvement in 3Q20, particularly in corporate loans and mortgages

Cost of risk

(PLNmnn)



Impaired loans (IFRS9 stage 3 & POCI)



PLN155mn of consumer NPLs (principal; PLN49mn on-balance sheet) was sold in 3Q20 generating PLN11mn pre-tax profit

New more conservative default definition was introduced in 1Q20

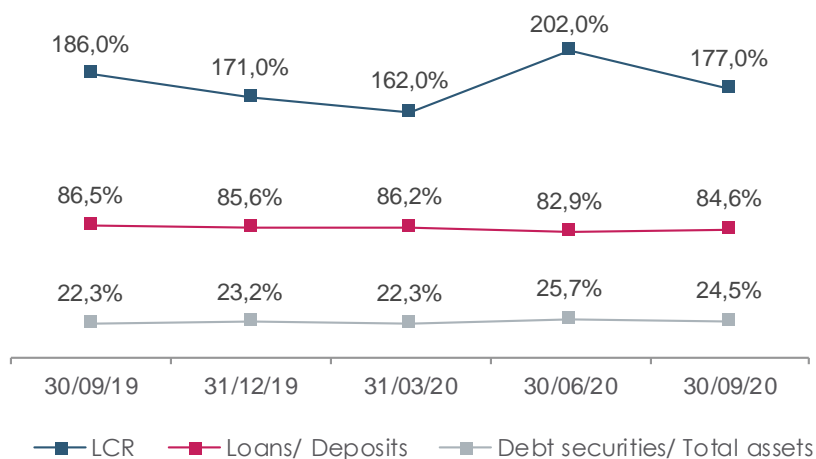
(*) Total net provisions created (incl. fair value adjustment of loan portfolio and loans modification effect) to average gross loans

(**) Without extraordinary provisions. The item includes Day1 acquisition related extra provisions created for Euro Bank loan portfolio in 9M19 and Covid-19 provisions in 9M20

LIQUIDITY AND CAPITAL

Robust liquidity and strong capital adequacy with surplus of more than 4.6ppt (TCR)

Liquidity indicators

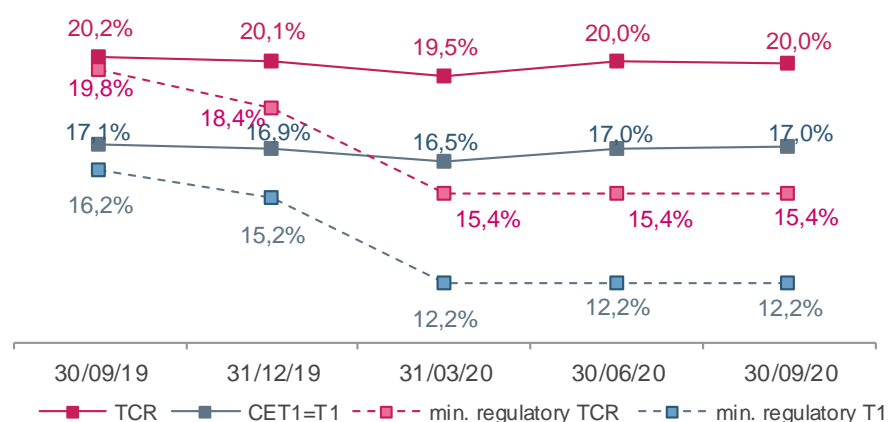


High level of risk absorption capacity:

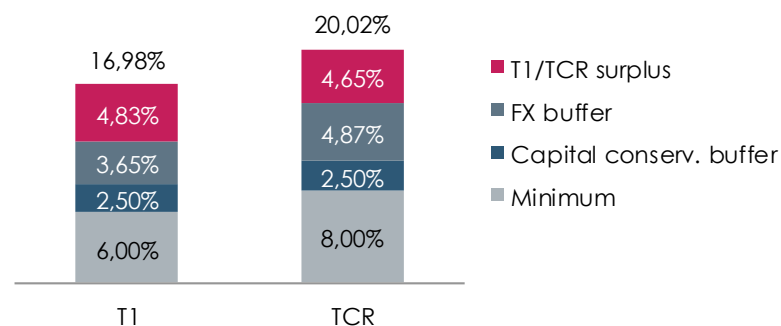
> 4.7%-4.8% of T1/TCR surplus

> 3.7%-4.9% of T1/TCR FX-buffer

Group capital ratios *



Capital requirement vs. actual ratios as at 30 Sep. 20 (Group)



(*) Bank's (solo) capital ratios : TCR 19.9% and CET1 16.8%



PRESENTATION OF 9M20 RESULTS

- > Covid-19 impacts and the Bank's response
- > Euro Bank integration and further efficiency improvements
- > Financial performance
- > **Business development**
- > Appendices

BUSINESS HIGHLIGHTS OF 3Q20/9M20

Retail business fast returning to/above pre-Covid levels, corporate activity on the mend



RETAIL BUSINESS

2.0 million

Active digital customers (up 27% y/y)

PLN1.8bn

Origination of mortgages at a new quarterly record (c14% market share); 9M20 origination at PLN4.7bn, up 54% y/y

PLN1.2bn

Origination of cash loans (9M20: PLN3.6bn, up 15% y/y)

7%

Yearly growth of retail loans (12% y/y w/o FX mortgages)

2.6 million

Active retail customers (+30% y/y)

PLN6.0bn

AuM (Millennium TFI and 3rd party), up 13% q/q and close to YE19 level



COMPANIES BUSINESS

5%

Q/q growth of corporate deposits (up 21% y/y) with share of current accounts at 69%

-1%

Corporate exposure with loans flat (q/q and y/y) and leasing still contracting

6%

Y/y growth of factoring



QUALITY AND INNOVATIONS

52

The highest NPS ratio among banks in Poland

2.0mn

apps downloads by **goodie**

1.6mn

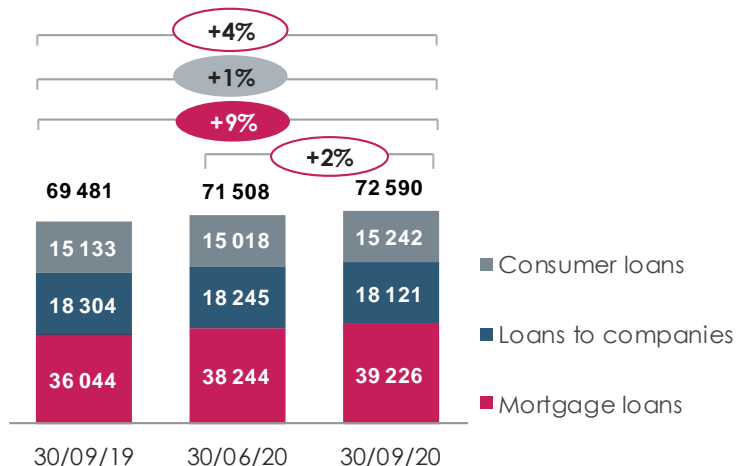
Active users of mobile application

LOANS AND CUSTOMER FUNDS

Moderate growth of loan portfolio. Stabilisation of loans to companies whereas the main growth driver is mortgage loans. Deposits remained almost unchanged in 3Q.

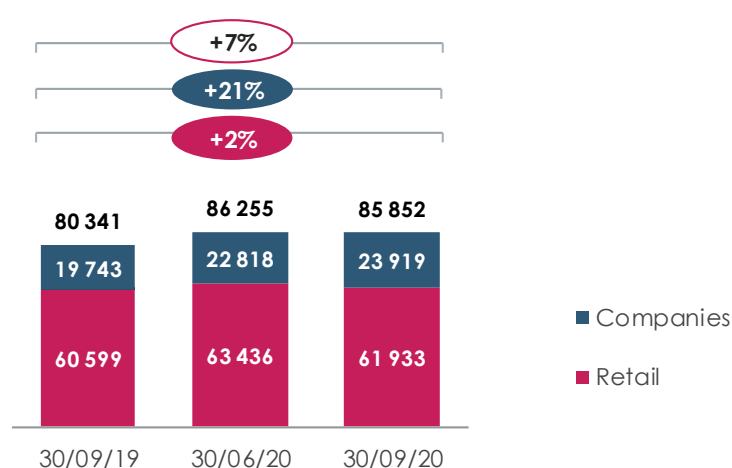
Loan portfolio of the Group (net)

(PLNmn)

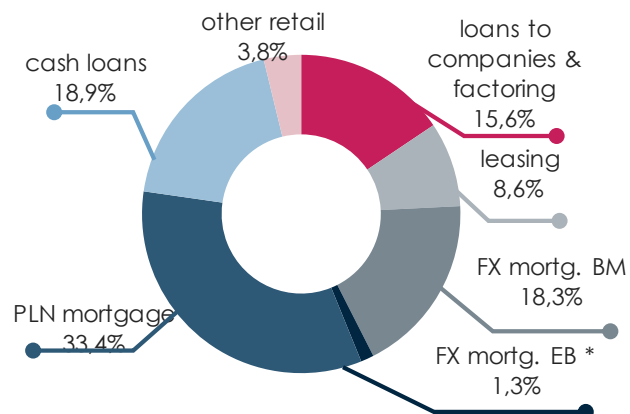


Customer deposits

(PLNmn)

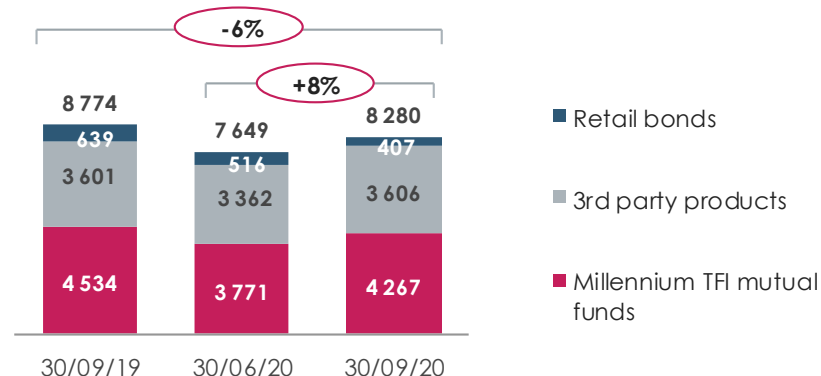


Structure of loan portfolio (gross)



Non-deposit investment products **

(PLNmn)



(*) Covered by SocGen guarantee and indemnity

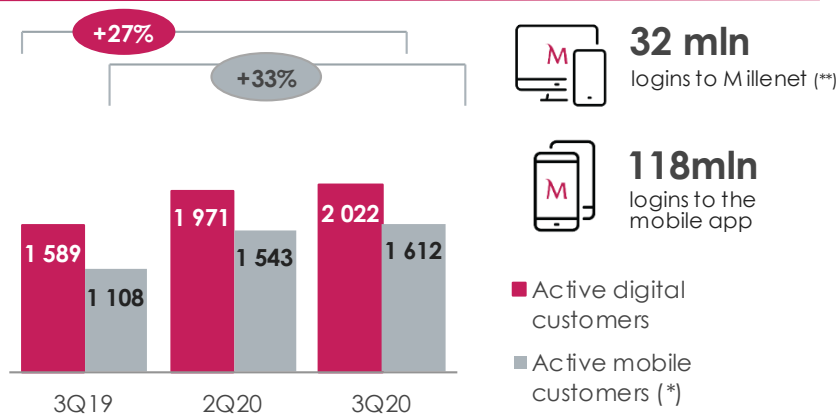
(**) including mutual funds, saving-insurance products and retail bonds

RETAIL BANKING – DIGITAL CUSTOMERS AND SALES

Continued growth in the number of mobile users. Number of digital customers exceeded 2mn mark. High share of electronic channels in the sale of products

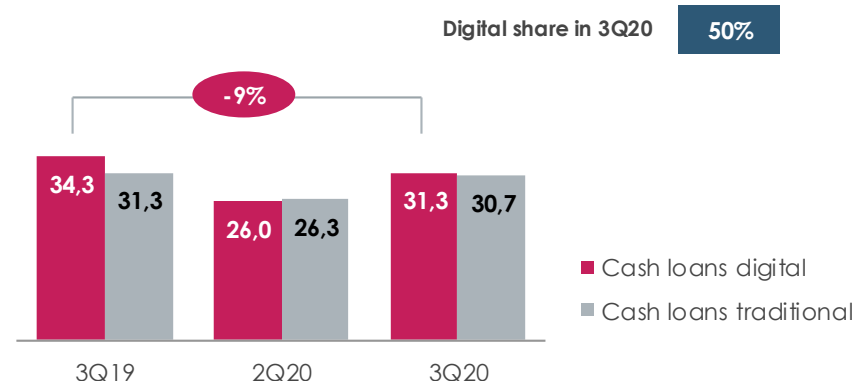
Active digital and mobile clients

(in thousand)



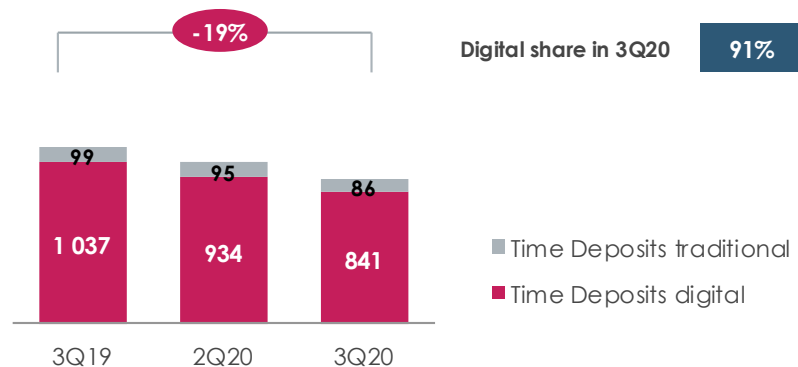
Traditional and digital channels – cash loans

(in thousand)



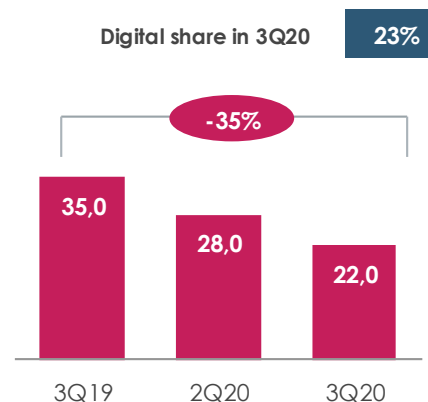
Traditional and digital channels - time deposits

(in thousand)



Current accounts open online

(in thousand)



The number of digital clients in our Bank has exceeded 2 million - we worked for the first million for 15 years, for the second only for 3 years.

(*) retail clients actively using mobile app and mobile Millenet

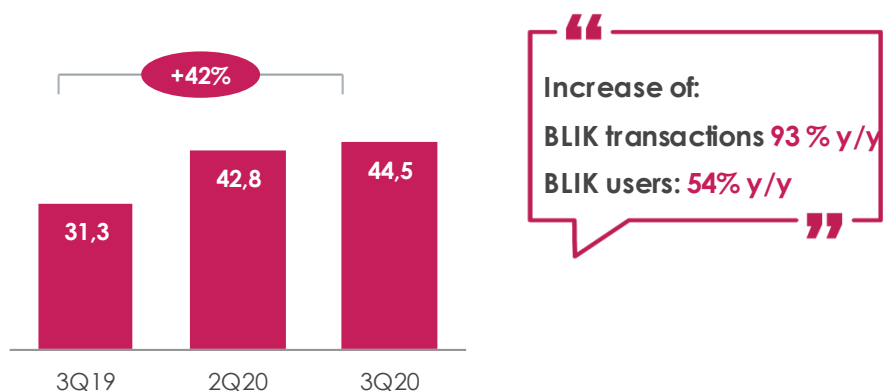
(**) Millenet and ipayment

RETAIL BANKING – ONLINE PRODUCTS AND SERVICES

- High transaction rate in all types of online payments, but the largest increases in BLIK transactions

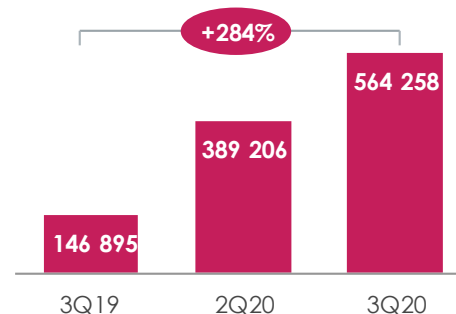
Transfers*

(million)



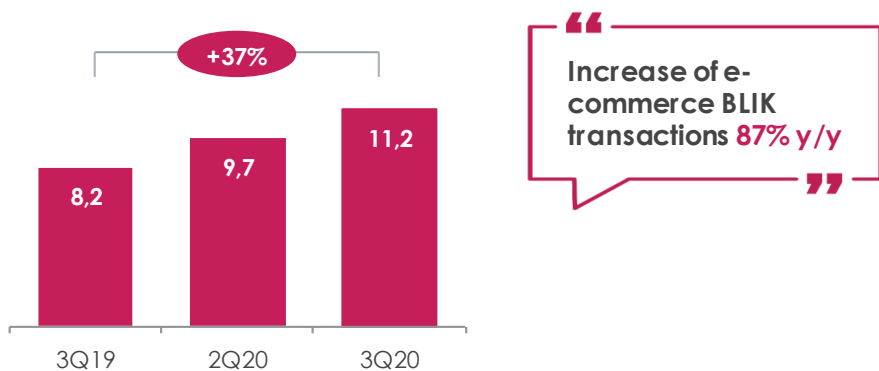
Number of clients with Mobile Authorization

(thousand)



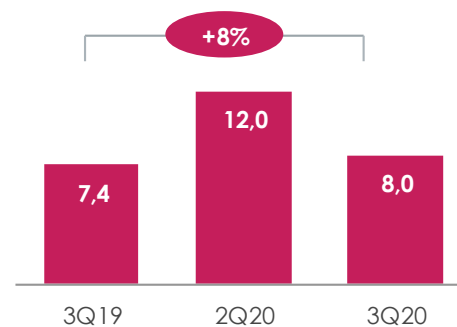
E-commerce card transactions*

(million)



Internet payment transactions *

(million)



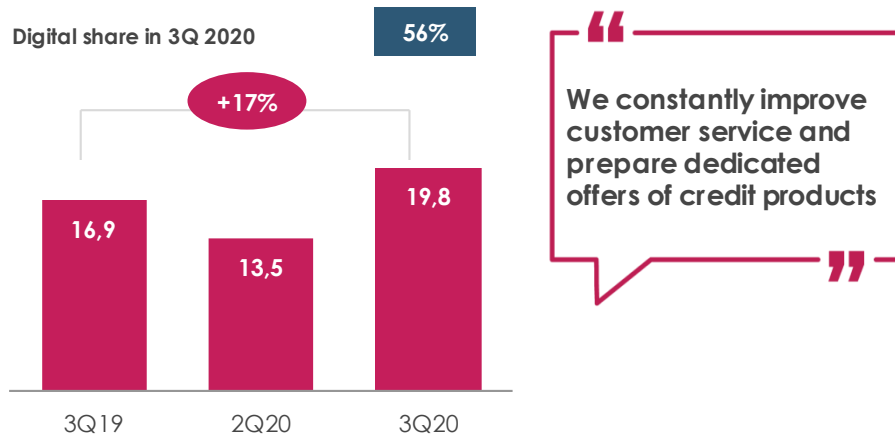
(*) including BLIK payments

RETAIL BANKING – ONLINE PRODUCTS AND SERVICES

Continued growth in the use of additional services

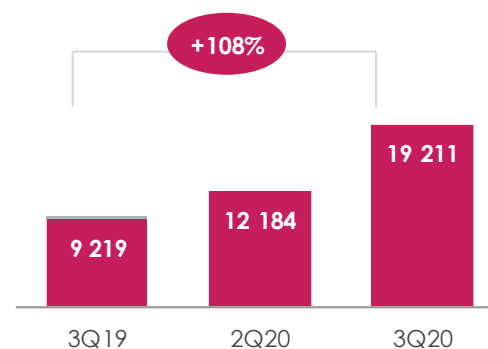
Overdraft (new and increase)

(thousand)



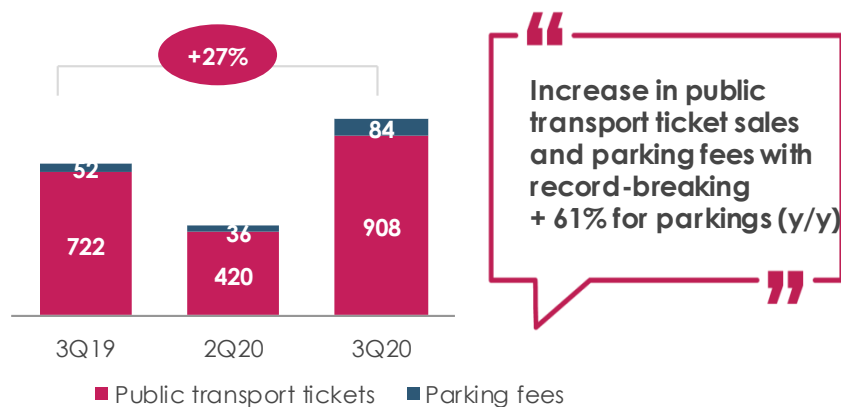
Contactless mobile payments

(thousand)



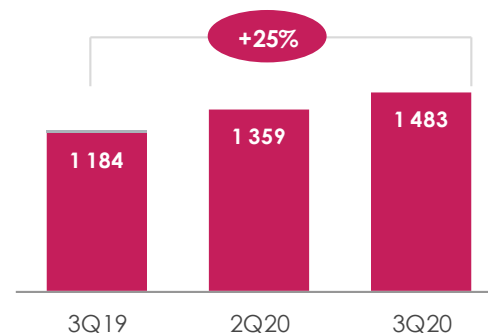
Tickets and parking

(thousand)



Mobile top-ups

(thousand)



RECENT SOLUTIONS AND INNOVATIONS

Facilitations in daily banking and digitization related to omni-channel and PSD2

Easier transfers

In response to users' expectations, we improve the most popular processes. We have provided clients with **a new transfer form and a more intuitive transaction history search engine** as well as easier updating of ID document data.

Tourist voucher in PUE ZUS

Our clients have easier access to the Tourist Voucher thanks to the possibility of logging in to the PUE ZUS platform via Millenet.

New banks in open banking services

Bank Millennium was the first to add Citibank to electronic banking - including the option to add credit cards in addition to accounts. **BNP Paribas** bank was added to the Finanse 360° service in 3Q20. Currently, **9 banks are available in the service, which is the most on the market.** BNP Paribas and Inteligo added to the income confirmation service in 3Q using logging to another bank.

Tracking mortgage loan application

A service designed **in response to customer suggestions to improve their mortgage application experience.** After submitting the application, customers can check its progress in online channels. Additionally, they will be informed whenever the application changes its status and can easily contact the expert handling the application.

Millennium Investment Programme available online

This is the first investment product available entirely in mobile banking. Initially, the new process was made available in the pilot for 40 k customers.

Mobile Authorization in branches

A customer who has an active Mobile Authorization will **confirm some of the transactions ordered at the branch by phone with one click.** The application will also find the history of all authorizations. This is another extremely important step in the bank's digitization strategy and reducing paper documentation.



RECENT SOLUTIONS AND INNOVATIONS

For corporate clients

New platform Millenium Forex Trader HTML 5

In response to users' expectations, we are improving the Millenium Forex Trader currency exchange platform. We replaced the old JAVA WS technology, which required a long authentication process from users and external software, with the easy-to-use HTML 5 technology.

We make it easier for firms and companies who need special attention and support in times of economic crisis.

Prepaid Card Register and 3D-Secure password defining for all cards

Until now, users of Corporate Prepaid cards were available only in paper customer registers. The new option for prepaid cards enables user personalization, digitization of this process and allows for adaptation to SCA requirements in e-commerce transactions by assigning an individual password to the card user - using the new 3D-Secure based function available for all cards.

Updating the data exchange structures of postal money orders

A new interface was created and the forms in the Millenet for Companies system were adapted to support new data exchange structures in the field of Postal Payments.



GOODIE – SMARTSHOPPING PLATFORM OF BANK MILLENNIUM

Maintaining growth rate of app downloads; 134,000 app downloads in 3Q20
Continued development and even better app

2.4mn

Cashback transaction

PLN 274mn

Generated cashback turnover

PLN 9.2mn

Amount cashback

PLN 85mn

Generated cashback turnover and over
700.000 cashback transactions

2mn

Amount cashback

08.2020

enrichment of the Grycan stamp
program with ice cream stamps

goodie
mądry sposób na zakupy

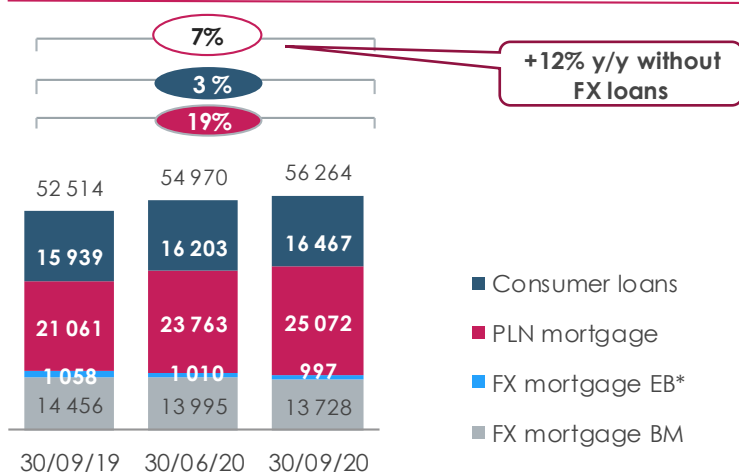
**2mn app downloads
since 2018**



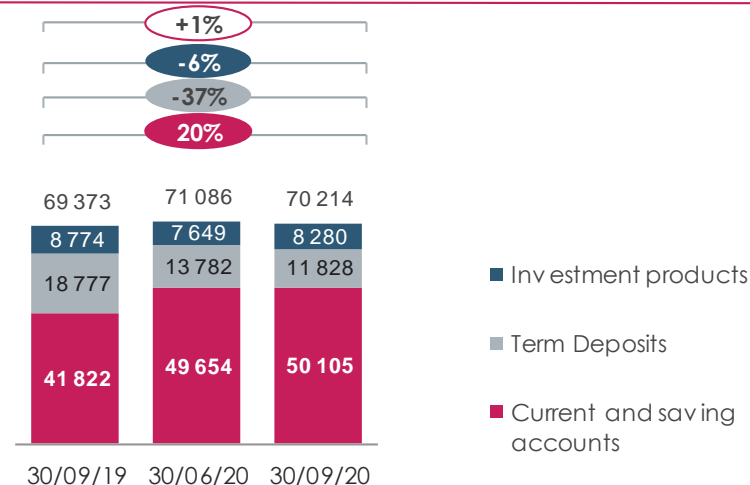
RETAIL BUSINESS – LOANS AND CUSTOMER FUNDS

- Solid growth of retail loans; high pace of current accounts volumes;
- Quarterly sale of mortgages at new record of PLN1.8bn

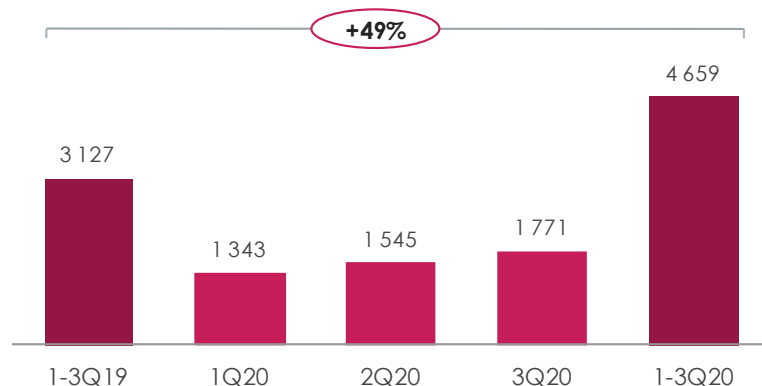
Retail loans (gross) (PLNmn)



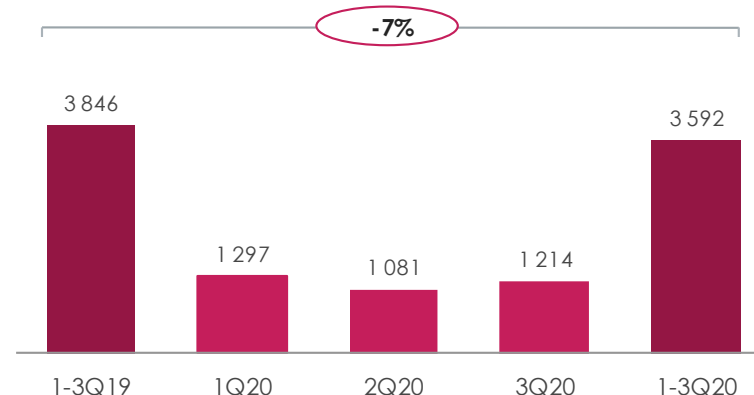
Retail customer funds (PLNmn)



Mortgage loans new sales (**) (PLNmn)



Cash loans new sales (**) (PLNmn)



(*) Loans from Euro Bank – covered by 100% indemnity and 80% guarantee agreement with SocGen

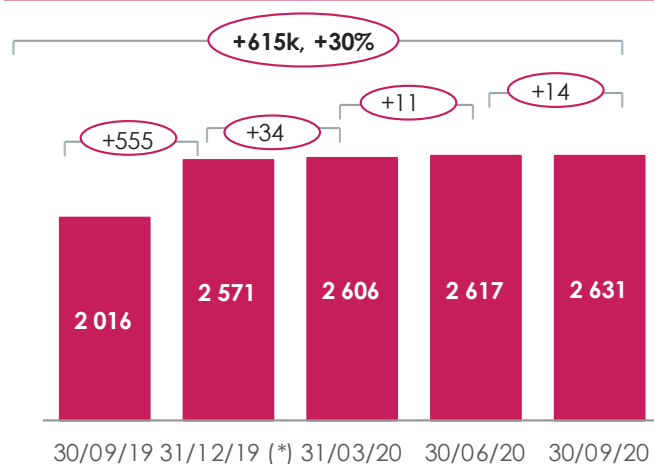
(**) with Euro Bank sale data from 1st of June 2019

RETAIL BANKING - NUMBER OF CUSTOMERS AND ACCOUNTS

Positive dynamics of new customers, accounts and cards maintained despite the pandemic

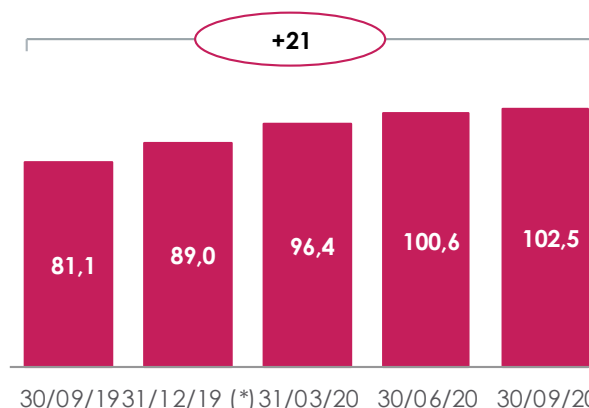
Active retail clients

(thousand)



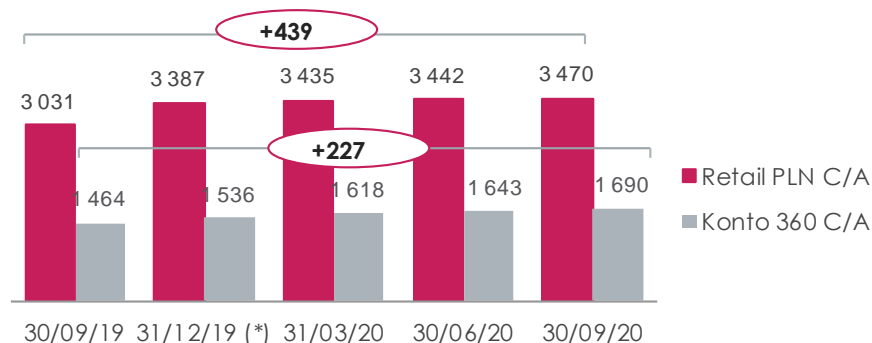
Active micro-business clients

(thousand)



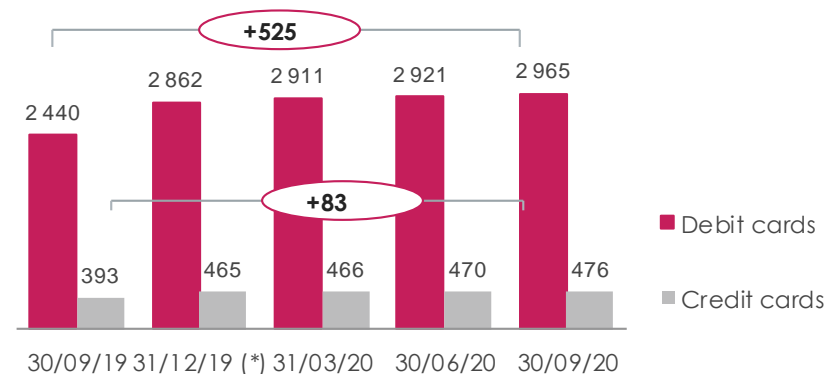
Number of current accounts

(thousand)



Number of debit and credit cards

(thousand)



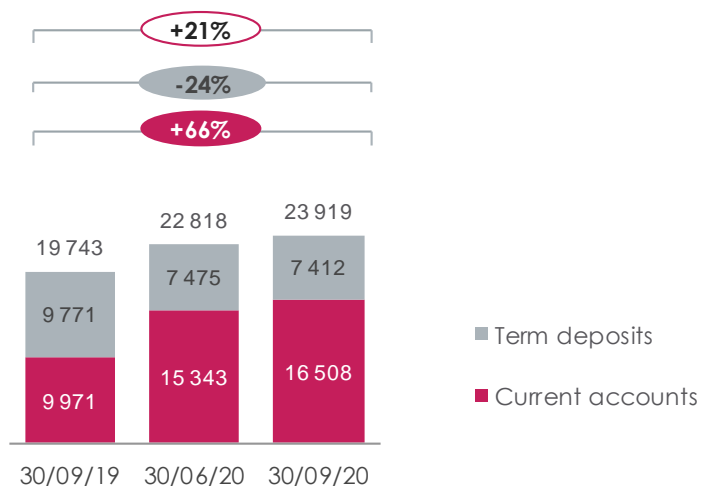
(*) Since Dec'19 data with ex-Euro Bank clients

COMPANIES BUSINESS – DEPOSITS AND LOANS

C/A balances up 66% y/y as interest rates are low; loans almost flat

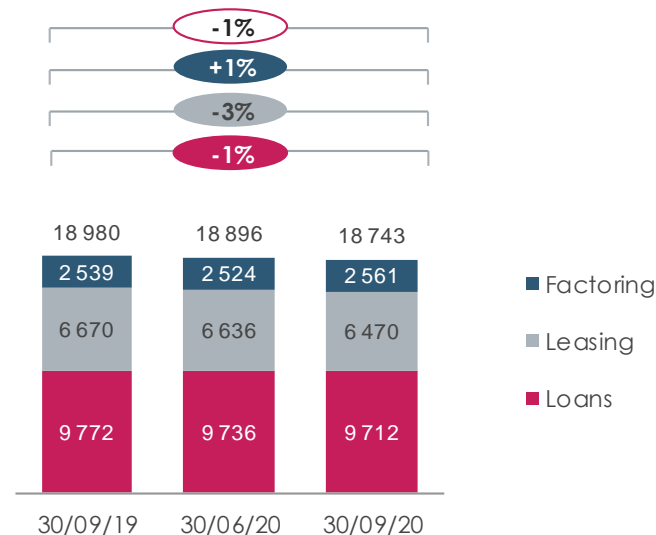
Companies deposits

(PLNmn)



Loans to companies (gross)

(PLNmn)



- Strong pace of growth of companies' **current accounts (+ 66% y/y)**
- **Rebound** of clients' **activity and transactionality** after lockdown
- **Decrease of the loan portfolio smaller** than the market average
- **Digitalisation of client service progressing** and entering new areas (e.g. signing agreements, webinars)

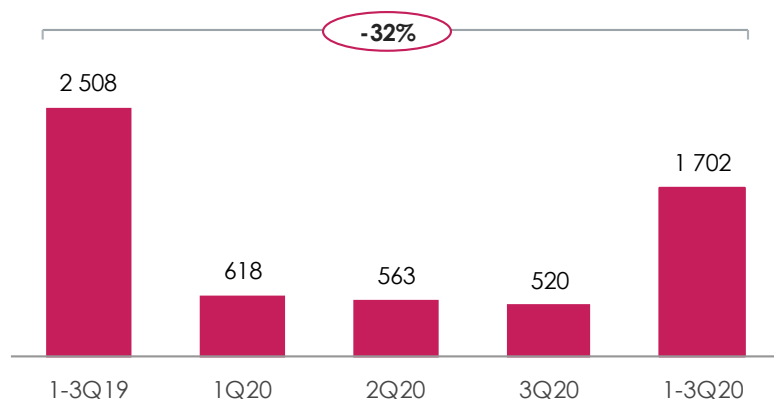


COMPANIES BUSINESS – LOANS AND TRANSACTIONS

Leasing sale decreased in 1-3Q20 as investments decelerated; trade finance and transactions continue growing.

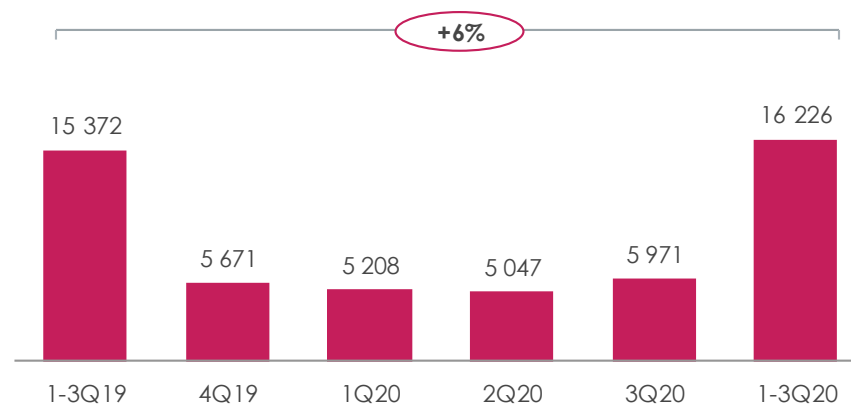
Leasing – new sales

(PLNmnn)



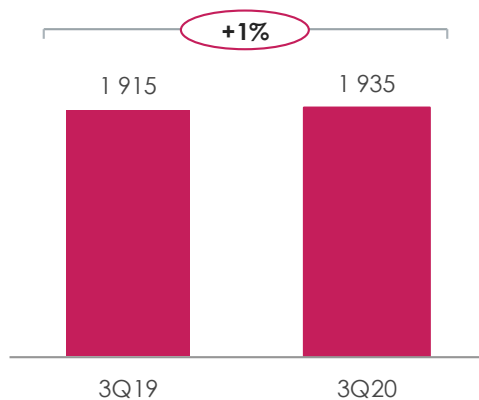
Factoring – turnover

(PLNmnn)



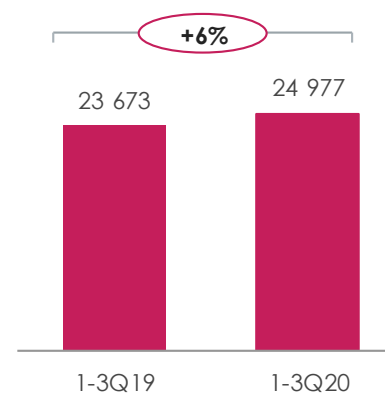
Volumes of limits for guaranties and LC

(PLNmnn)



No. of domestic transfers

(thousand)





PRESENTATION OF 9M20 RESULTS

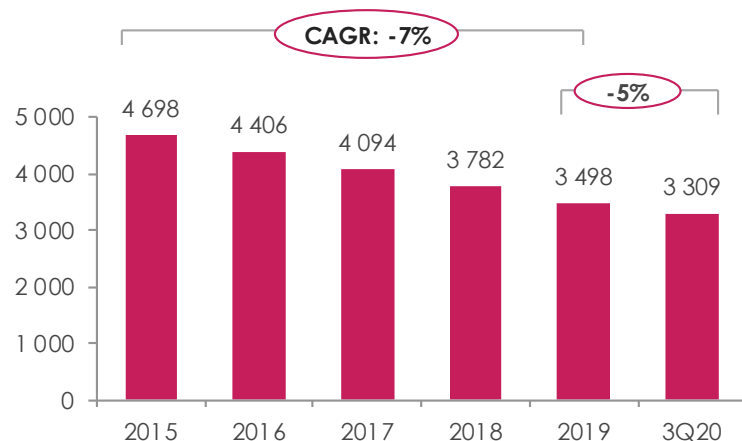
- > Covid-19 impacts and the Bank's response
- > Euro Bank integration and further efficiency improvements
- > Financial performance
- > Business development
- > **Appendices**

FX-MORTGAGE PORTFOLIO

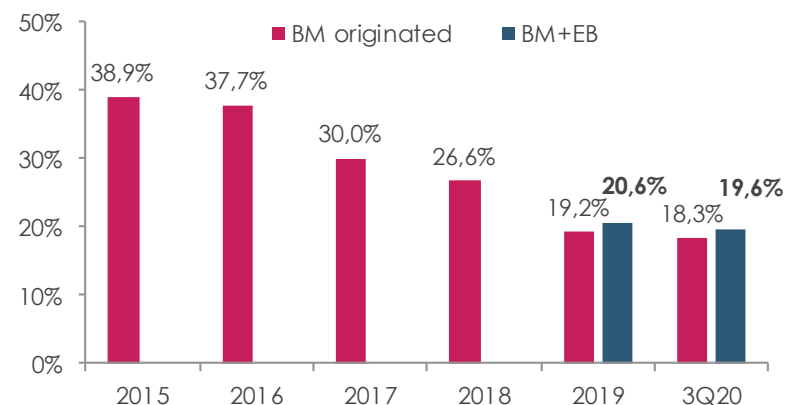
- FX-mortgage portfolio continued to decline steadily (CAGR of -7% in CHF terms).
- Share of FX-mortgages in total loan book dropped below 20%. Provisions for legal risk at 3.8% of FX-mortgage portfolio.

FX-mortgages*

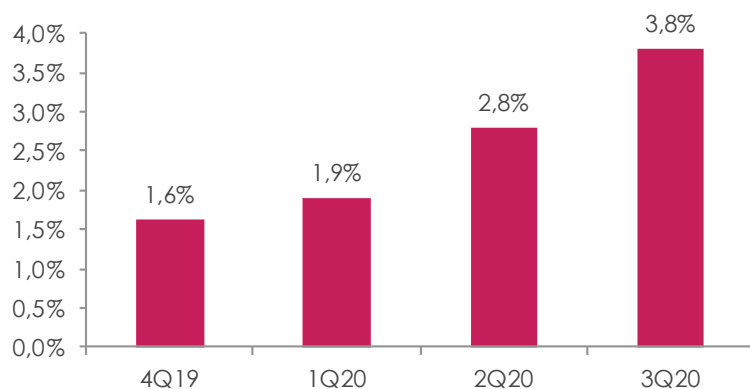
(CHFmn)



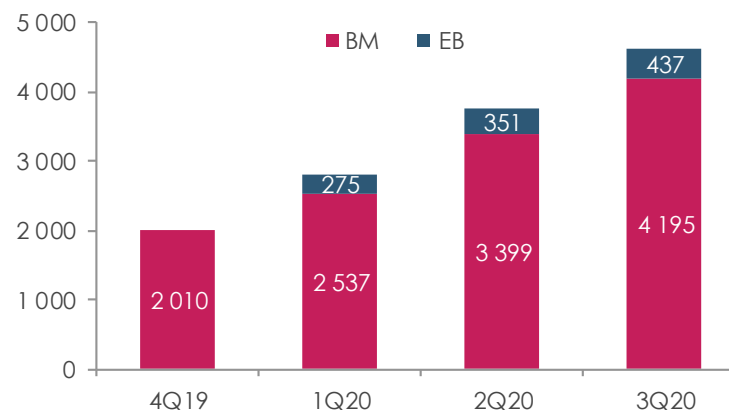
FX-mortgages as % of total book



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



Individual indexation lawsuit cases

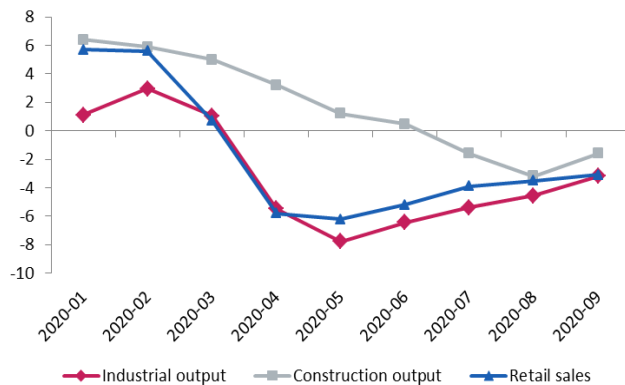


* ex-EB

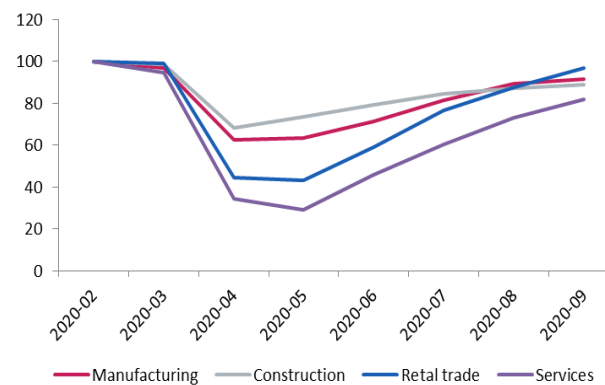
MACROECONOMIC OVERVIEW

Business activity rebounded strongly after lifting lockdown and 3Q brought substantial recovery in trade and industry, accompanied by only moderate growth of unemployment. However, acceleration of pandemic in 4Q poses downside risks for the economy in coming quarters.

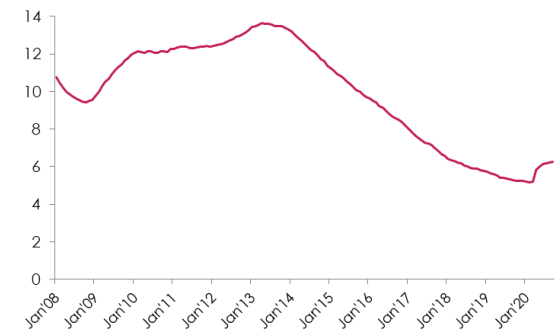
Data from real economy (YTD, % y/y)



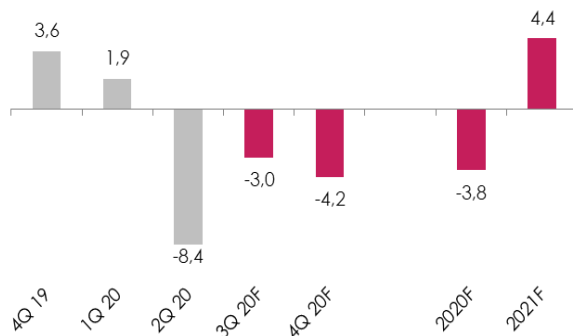
Business activity in Poland (pct, Feb '20=100)



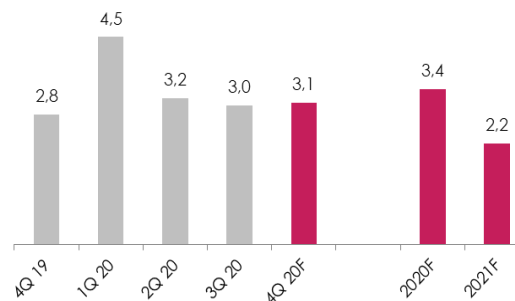
Registered unemployment rate (sq, %)



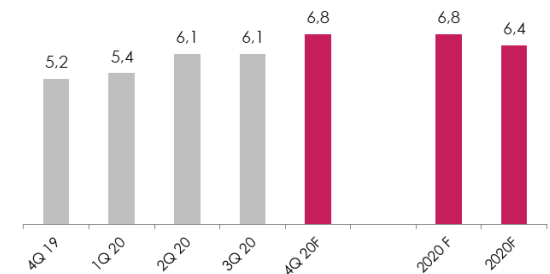
GDP growth rate (% y/y)



CPI inflation (% y/y)



Registered unemployment rate (%)

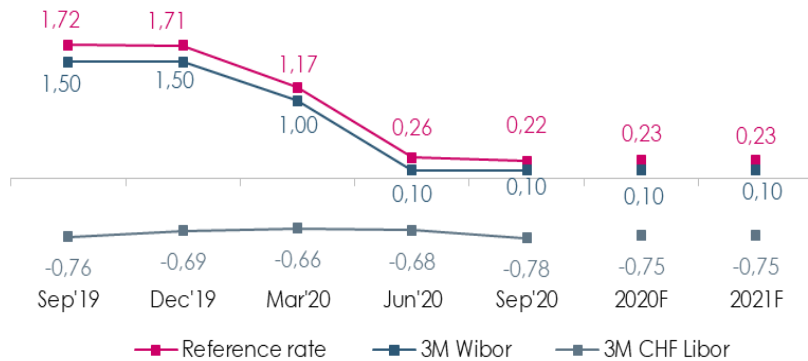


MACROECONOMIC OVERVIEW

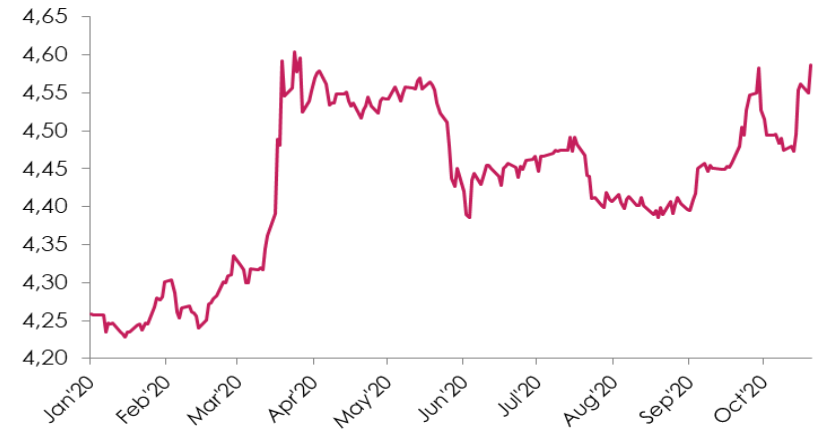
Monetary Policy Council kept rates at record low levels in 3Q and continued asset purchase program, although its scale was smaller as compared to 2Q. Yields of Polish bonds stayed at very low levels, while Polish Zloty was under negative pressure coming from global sentiment.

Interest rates

(%)



EUR/PLN exchange rate



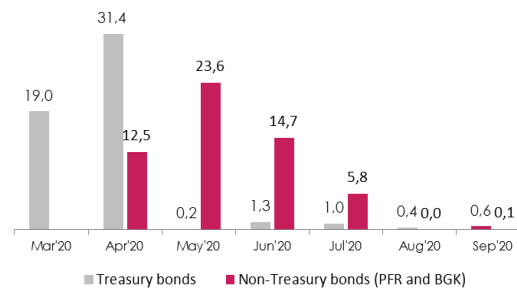
Yields of T-bonds

(%)



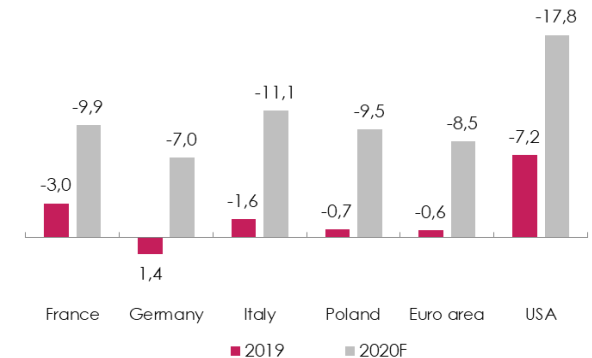
NBP buybacks of bonds

(bn PLN)



General government deficit

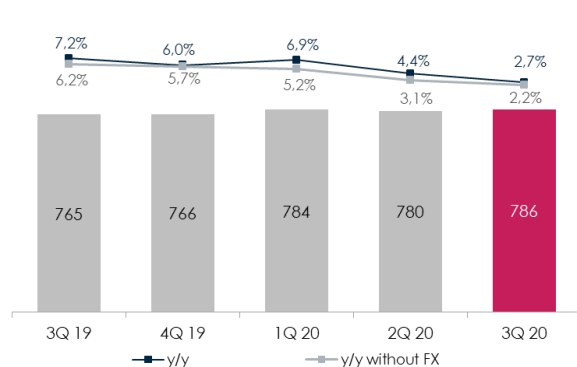
(% GDP)



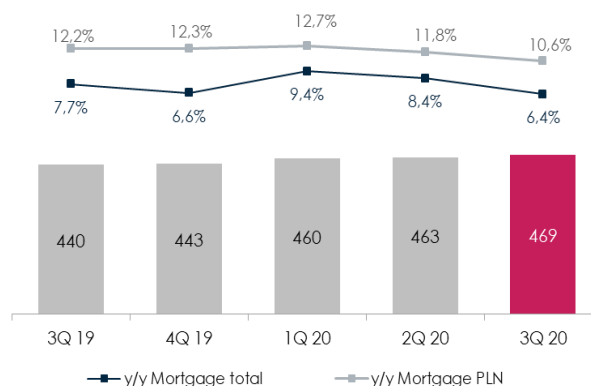
MACROECONOMIC OVERVIEW

Growth of deposits in households and corporate sector remained high in 3Q however it slowed down because of expiration of government's programs. Credit growth slowed down in the economy, while in corporate sector annual growth of loans turned into negative territory.

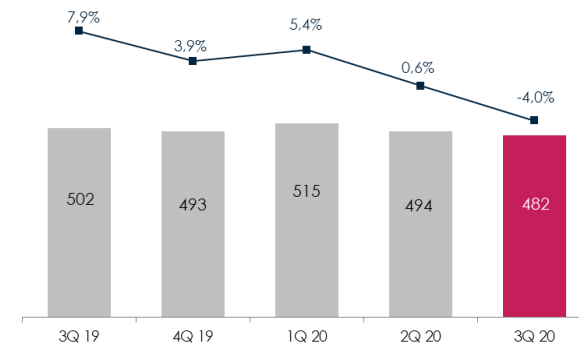
Loans to households (PLN bn, % y/y)



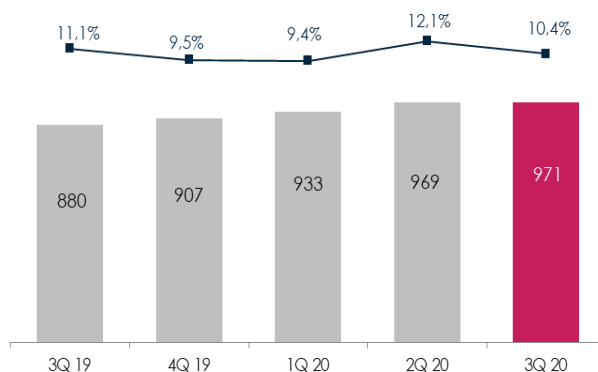
Mortgage loans (PLN bn, % y/y)



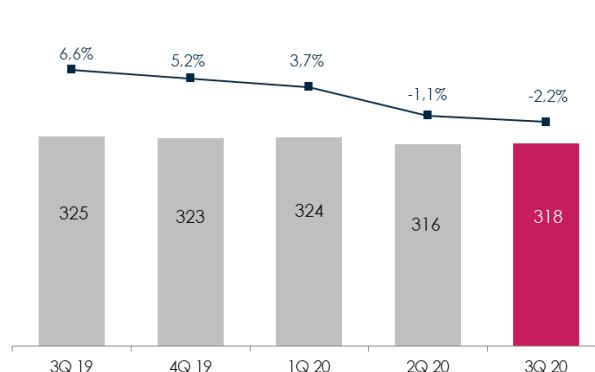
Loans to companies (PLN bn, % y/y)



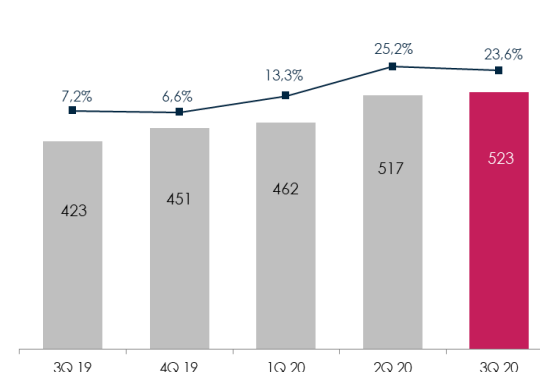
Deposits from households (PLN bn, % y/y)



Households: non-mortgage loans (PLN bn, % y/y)



Deposits from companies (PLN bn, % y/y)



RATINGS AND MARKET RATIOS

Share price under strong pressure due to coronavirus pandemic and potential FX mortgage legal risk

Bank Millennium share performance vs. WIG Banks index
(year to September 30, 2020)



Ratings of Bank Millennium

On 30 of September 2020 the Moody's rating agency completed its periodic review of the financial situation of Bank Millennium and left the bank's ratings unchanged.

On the 5th of October 2020 Fitch rating agency affirmed Bank Millennium's long-term rating at BBB- and Viability Rating (VR) at bbb-. The rating outlook remained stable.

Moody's **Baa1 / P2/ baa3 / stable outlook**

Fitch **BBB- / F3/ bbb- / stable outlook**

Bank Millennium shares

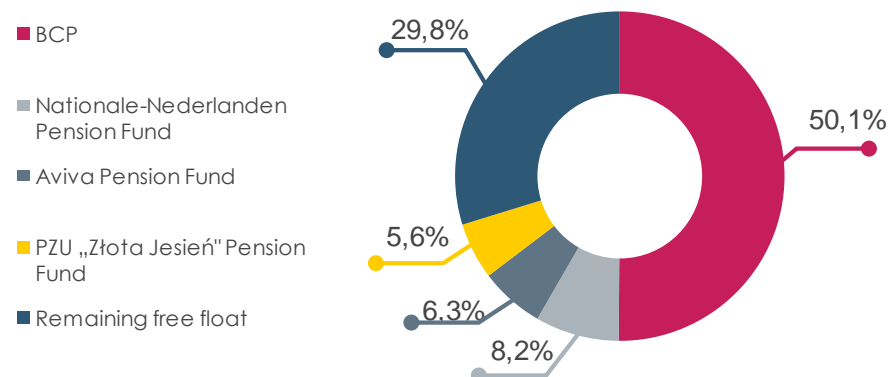
No of shares: 1 213 116 777 (listed 1 213 008 137)

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 (31.12.2019)



BANK MILLENNIUM THE BEST CONSUMER DIGITAL BANK IN POLAND

High quality, innovations and customer centricity confirmed by independent rankings and competitions

The Best Consumer Digital Bank in Poland for 2020



Bank Millennium was hailed **The Best Consumer Digital Bank in Poland for 2020 in the World's Best Digital Banks** competition organised already for the 21st time by the renowned Global Finance Magazine. Moreover, Bank Millennium website was hailed the Best Integrated Consumer Bank Site in Central and Eastern Europe for 2020.

European Customer Centricity Awards 2020



Bank Millennium received the main prize in the prestigious **European Customer Centricity Awards competition in the complaints category**. The jury of the competition appreciated the project "Hug the problem" - which focuses on the evolution in complaints towards addressing customer needs and individual approach.

"Trusted in Business" award from CRIF Poland



Millennium Leasing - "Trusted in Business" award from CRIF Poland - for building a tool for automatic risk assessment, integrated with external data sources providing real-time information enabling making a credit decision in Biznes segment within around a dozen seconds.

SYNTHETIC P&L ACCOUNT

Pro-forma PLNmnn	1-3Q19 pro-forma	1-3Q20 pro-forma	Change Y/Y	2Q20 pro-forma	3Q20 pro-forma	Change Q/Q
Net interest income*	1 790	1 958	9%	640	629	-2%
Net commission income	517	553	7%	179	180	0%
Other non-interest income **	211	157	-26%	41	79	92%
Operating Income	2 517	2 668	6%	860	887	3%
General and administrative costs	-1 109	-1 176	6%	-351	-360	3%
Depreciation	-127	-159	25%	-54	-52	-4%
Total operating costs	-1 236	-1 335	8%	-405	-412	2%
Net cost of risk ***	-367	-513	40%	-226	-150	-33%
FX legal risk provision	-	-298	-	-113	-130	15%
COVID19 risk provision	-	0	-	60	0	-
Operating profit	915	522	-43%	177	195	11%
Banking tax	-179	-209	17%	-68	-68	-1%
Pre-tax profit	736	313	-57%	108	127	18%
Income tax	-202	-181	-10%	-55	-67	23%
Net profit	534	132	-75%	54	60	12%
Accounting	1-3Q19	1-3Q20	Change Y/Y	2Q20	3Q20	Change Q/Q
NII (reported under IFRS)	1 744	1 927	10%	627	624	-1%

(*) Pro-forma data. Margin from all derivatives, including those hedging FX denominated loan portfolio, is presented in Net Interest Income, whereas in accounting terms part of this margin (PLN31.3mn in 1-3Q20 and PLN45.7mn in 1-3Q19) is presented in result on valuation and operations in financial instruments.

(**) includes FX results, results on financial operations (pro-forma) and net other operating income and costs (***) cost of risk includes impairment provisions (on all stages), FV adjustment on loans and result on modification.

BALANCE SHEET

(PLNmn)

ASSETS	30/09/2019	30/06/2020	30/09/2020	Change y/y
Cash and balances with the Central Bank	3 198	1 225	1 182	-63%
Loans and advances to banks	1 024	876	862	-16%
Loans and advances to customers	69 481	71 508	72 590	4%
Amounts due from reverse repo trans.	51	65	42	-18%
Debt securities	21 960	26 567	25 179	15%
Derivatives (for hedging and trading)	134	229	185	38%
Shares and other financial instruments	96	96	172	79%
Tangible and intangible fixed assets	968	971	941	-3%
Other assets	1 002	1 041	1 094	9%
TOTAL ASSETS	97 914	102 579	102 246	4%

LIABILITIES AND EQUITY	30/09/2019	30/06/2020	30/09/2020	Change y/y
Deposits and loans from banks	1 756	1 430	1 105	-37%
Deposits from customers	80 341	86 255	85 852	7%
Liabilities from repo transactions	52	0	449	762%
Financial liabilities at fair value through P&L and hedging derivatives	828	878	810	-2%
Liabilities from securities issued	1 447	767	659	-54%
Provisions	111	283	386	248%
Subordinated liabilities	1 645	1 545	1 539	-6%
Other liabilities	2 812	2 221	2 224	-21%
TOTAL LIABILITIES	88 993	93 379	93 024	5%
TOTAL EQUITY	8 921	9 200	9 222	3%
TOTAL LIABILITIES AND EQUITY	97 914	102 579	102 246	4%



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