



# Presentation

## 3Q21/9M21 results

26 October 2021

# DISCLAIMER



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

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

The data is based on published financial reports with two 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. While 9M20 accounts have been restated accordingly, the 4Q20 ones are still presented in this presentation on a pro-forma basis, i.e. all margin from derivatives is presented in NII, thereby slightly differing from the reported 4Q20 accounts.
- 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.



# AGENDA

A background image showing four business professionals in a modern office setting with large windows. A woman in a light blue shirt is seated on the left, looking towards the right. Two men in dark suits are seated in the center and right, looking at a laptop. A woman with long dark hair is standing on the far right, looking down at a document. The office has large windows overlooking a city skyline.

Financial  
performance

01

Business  
development

02

Appendices

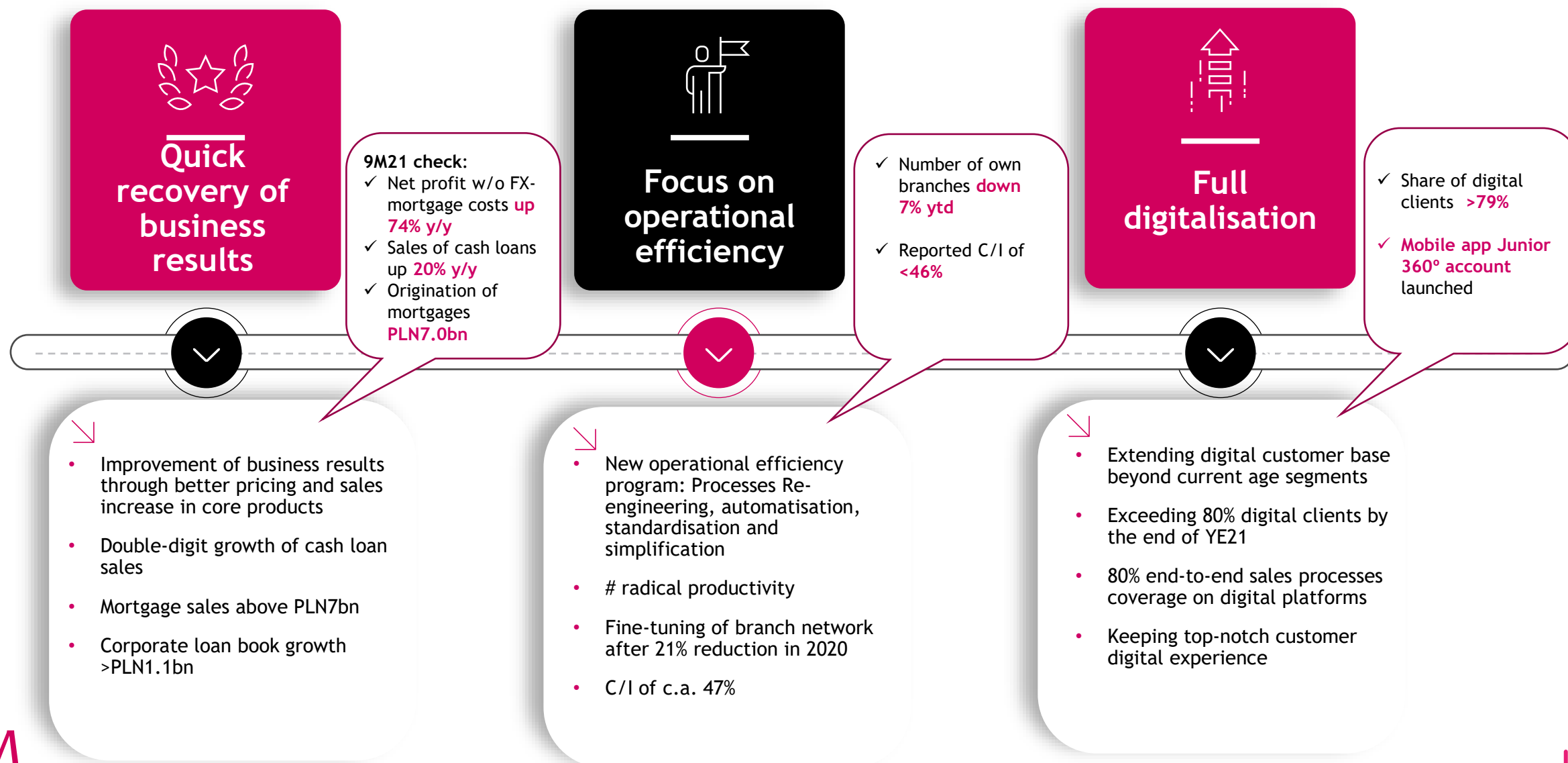
03



# PRESENTATION OF 3Q21/9M21 RESULTS

Financial performance

# 2021 - A TRANSITION YEAR BEFORE NEW STRATEGY ROLL-OUT



# KEY PROFIT & LOSS ITEMS

PLNm	1-3Q21	1-3Q20	Change Y/Y	3Q21	2Q21	Change Q/Q
Net interest income	1 946.0	1 958.4	-0.6%	668.9	654.9	2.1%
Net commission income	615.7	553.3	11.3%	201.6	209.3	-3.7%
<b>Total operating income</b>	<b>2 635.0</b>	<b>2 668.3</b>	<b>-1.2%</b>	<b>845.6</b>	<b>922.5</b>	<b>-8.3%</b>
<b>Total costs</b>	<b>-1 208.2</b>	<b>-1 335.1</b>	<b>-9.5%</b>	<b>-402.3</b>	<b>-378.5</b>	<b>6.3%</b>
<i>Costs without EB integration and BFG</i>	<i>-1 107.5</i>	<i>-1 142.3</i>	<i>-3.1%</i>	<i>-384.9</i>	<i>-348.3</i>	<i>10.5%</i>
Loan loss provisions (incl. Covid-19)	-217.0	-513.2	-57.7%	-83.5	-57.3	45.7%
FX mortg. legal risk provisions	-1 573.2	-297.7	428.5%	-526.1	-513.6	2.4%
Banking tax on assets	-230.6	-209.0	10.3%	-78.6	-76.9	2.2%
<b>Net profit</b>	<b>-823.0</b>	<b>131.9</b>	<b>-</b>	<b>-311.3</b>	<b>-200.3</b>	<b>-</b>
<i>Net profit without extraordinary items*</i>	<i>802.7</i>	<i>529.7</i>	<i>51.5%</i>	<i>257.3</i>	<i>320.0</i>	<i>-19.6%</i>
NIM	2.60%	2.63%	-0.03 pp	2.61%	2.60%	0.01 pp
Cost/income reported	45.9%	50.0%	-4.1 pp	47.6%	41.0%	6.6 pp
Cost/income adjusted (*)	43.1%	46.2%	-3.1 pp	43.8%	39.9%	3.9 pp
Cost of risk	36 bp	92 bp	-56 bp	42 bp	28 bp	14 bp
ROE	-12.9%	1.9%	-	-15.2%	-9.3%	-
ROE adjusted (*)	12.4%	7.8%	4.6 pp	12.6%	14.8%	-2.2 pp

# KEY BALANCE SHEET AND BUSINESS ITEMS

PLNm	Sep. 21	Sep. 20	Change Y/Y	Jun. 21	Change Q/Q
Active customers (ths)	2 664	2 631	33	2 632	32
incl. on-line and mobile	2 206	2 022	184	2 145	61
Customer funds	99 820	94 133	6.0%	99 484	0.3%
Deposits	90 250	85 852	5.1%	89 998	0.3%
Deposits of individuals	64 965	61 933	4.9%	64 966	0.0%
Loans	77 280	72 421	6.7%	75 794	2.0%
FX mortgage loans excl. EB	9 857	13 347	-26.2%	10 665	-7.6%
Loans without FX mortgages	66 626	58 084	14.7%	64 203	3.8%
L/D	85.6%	84.4%	1.2 pp	84.2%	1.4 pp
Impaired loan ratio (**)	4.7%	4.7%	0.0 pp	4.7%	0.0 pp
Coverage ratio	67.6%	68.0%	-0.4 pp	66.5%	1.1 pp
CET1 = T1	15.1%	17.0%	-1.9 pp	15.6%	-0.5 pp
TCR	18.2%	20.0%	-1.8 pp	18.7%	-0.5 pp

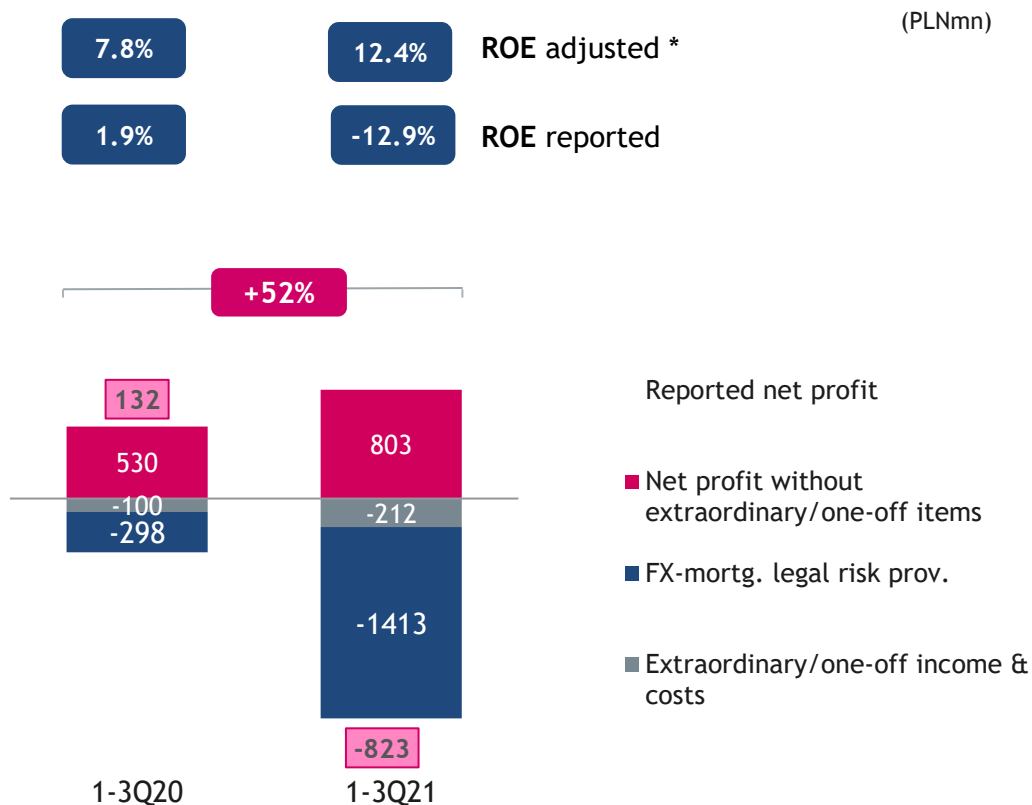


(\*) Changes in methodology since Dec-20  
(\*\*) stage 3 and POCI loans share in gross total loans

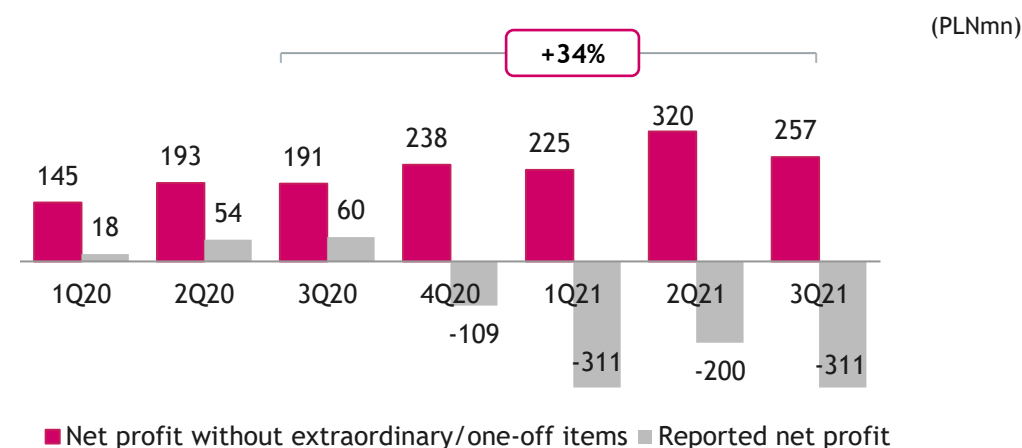
# FINANCIAL HIGHLIGHTS OF 3Q21/9M21

Core profitability (ex-FX mortgage) is growing: 1-3Q21 ROE at 12.4%, net income up 52% y/y

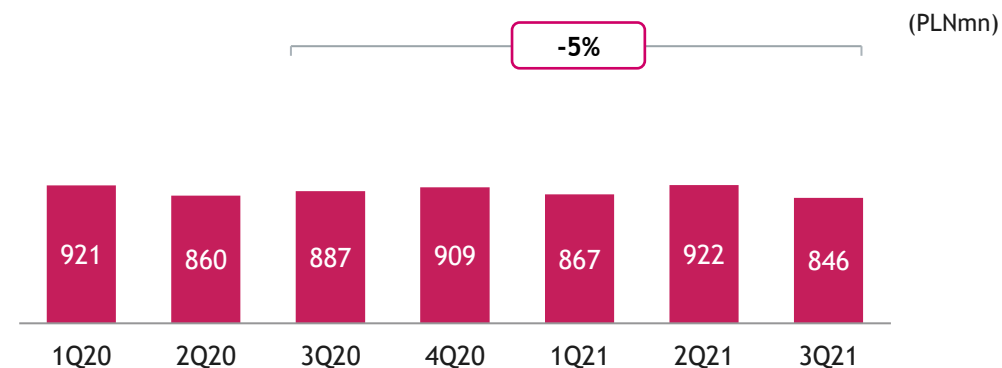
## Net profit



## Net profit w/o extraordinary\* items



## Operating income





# FINANCIAL HIGHLIGHTS OF 3Q21/9M21

Most of last year's pandemic impact neutralised

Adjusted net profit\*

**+52% y/y**

NII rebounded, NIM up

**+12bp y/y**

Fees up

**+11% y/y**

Adjusted ROE

**12.4%**

Costs reduction

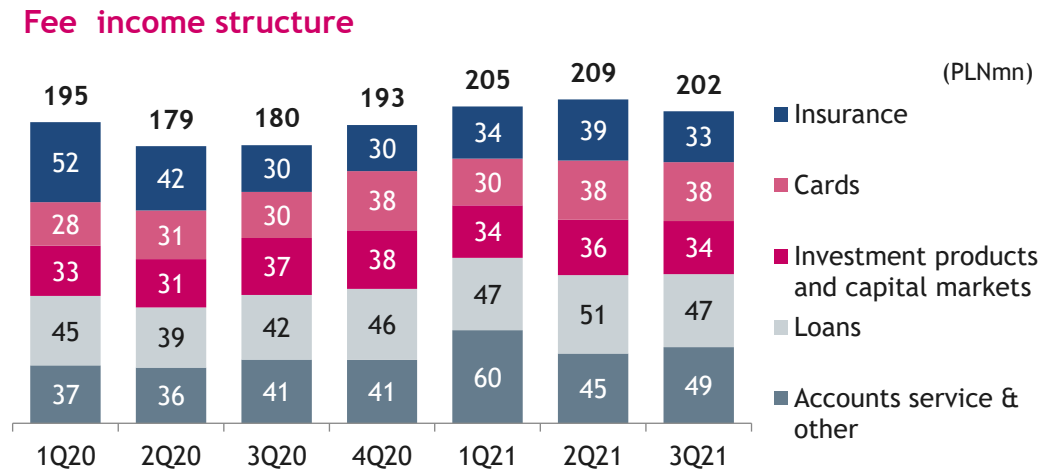
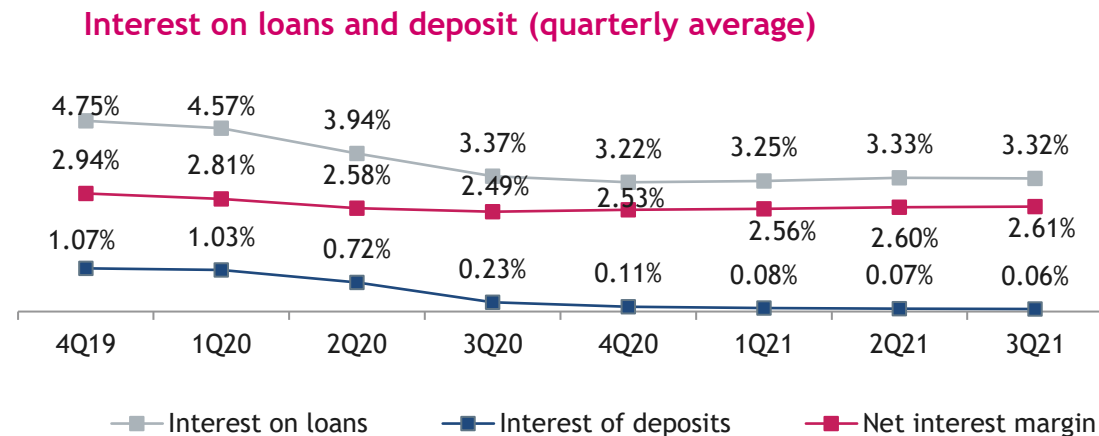
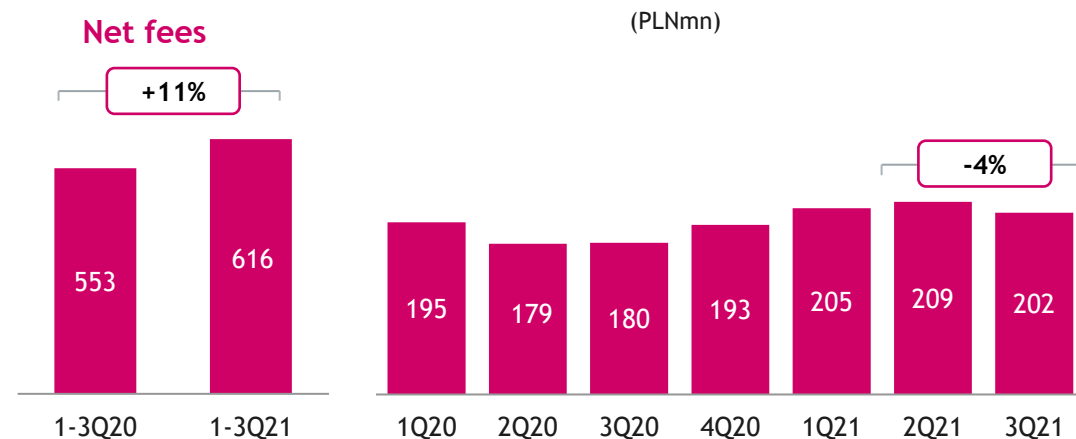
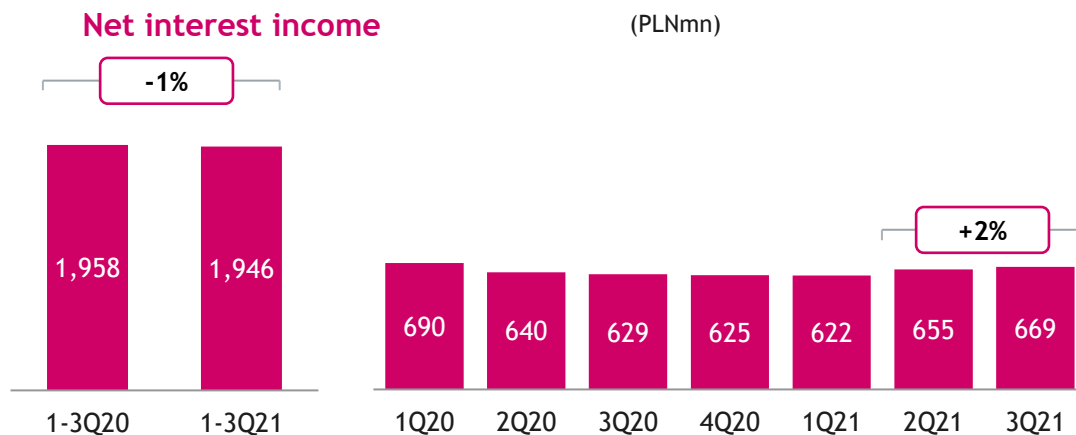
**-10% y/y**

Provision coverage up

**DPD>90 124%**

# INTEREST AND COMMISSION INCOME

NII rebounded with gradual growth of quarterly NIM; net fees up 11% y/y

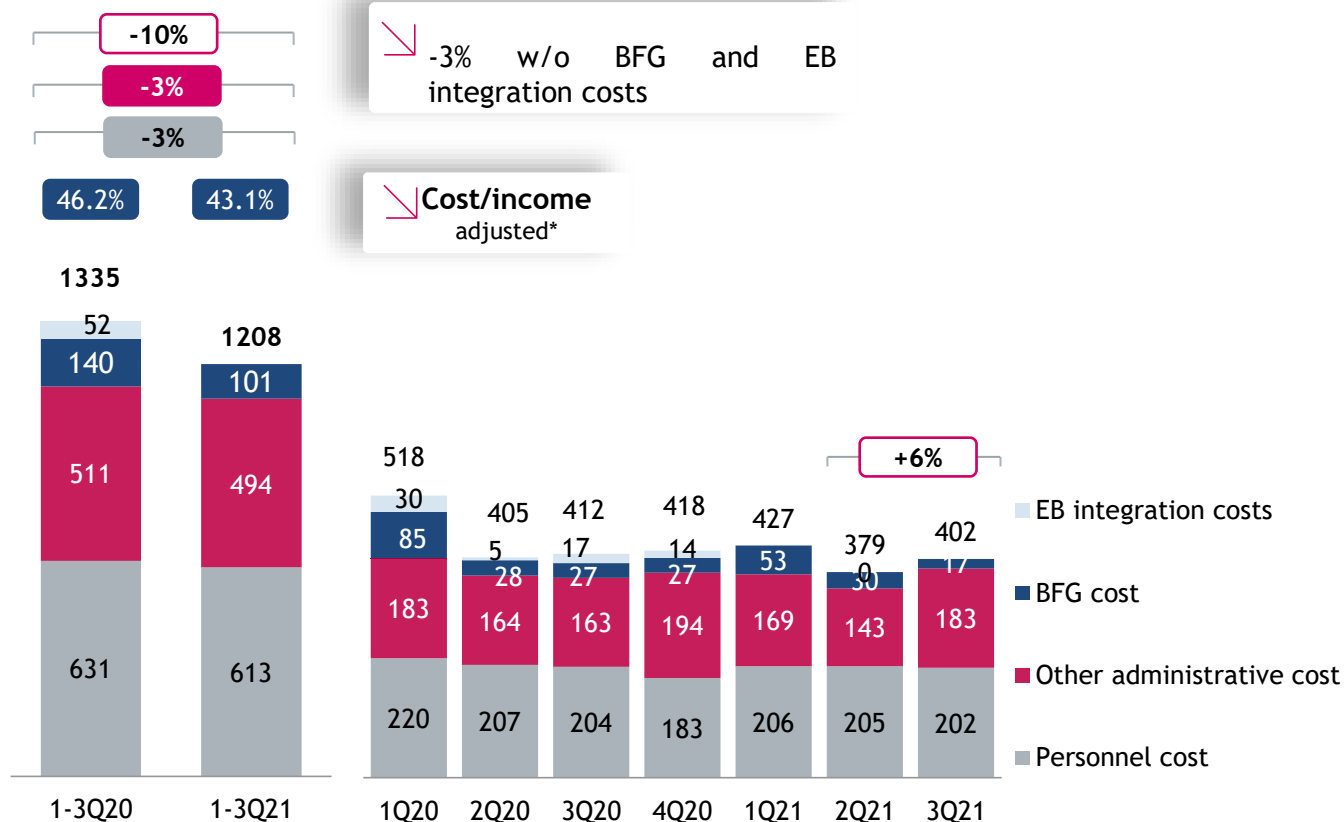


# COST EFFICIENCY

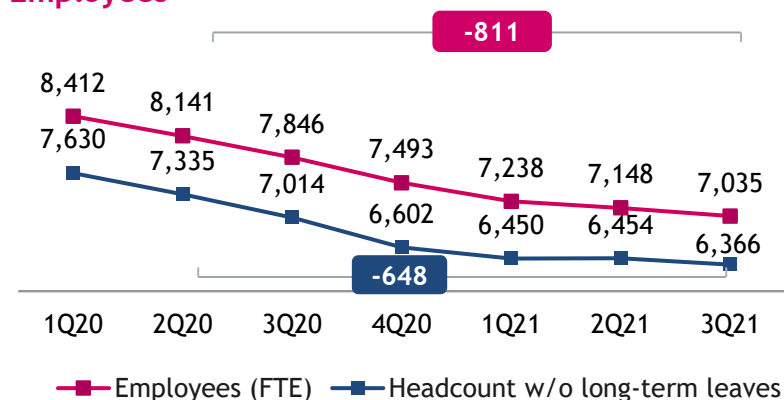
Operating costs down 10% y/y supported by lower BFG fees and cost saving initiatives (-3% w/o BFG and integration)

## Operating cost

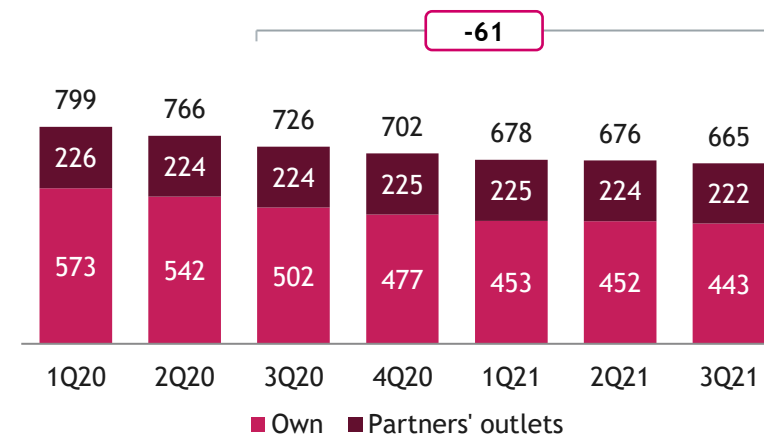
(PLNmn)



## Employees



## Branches



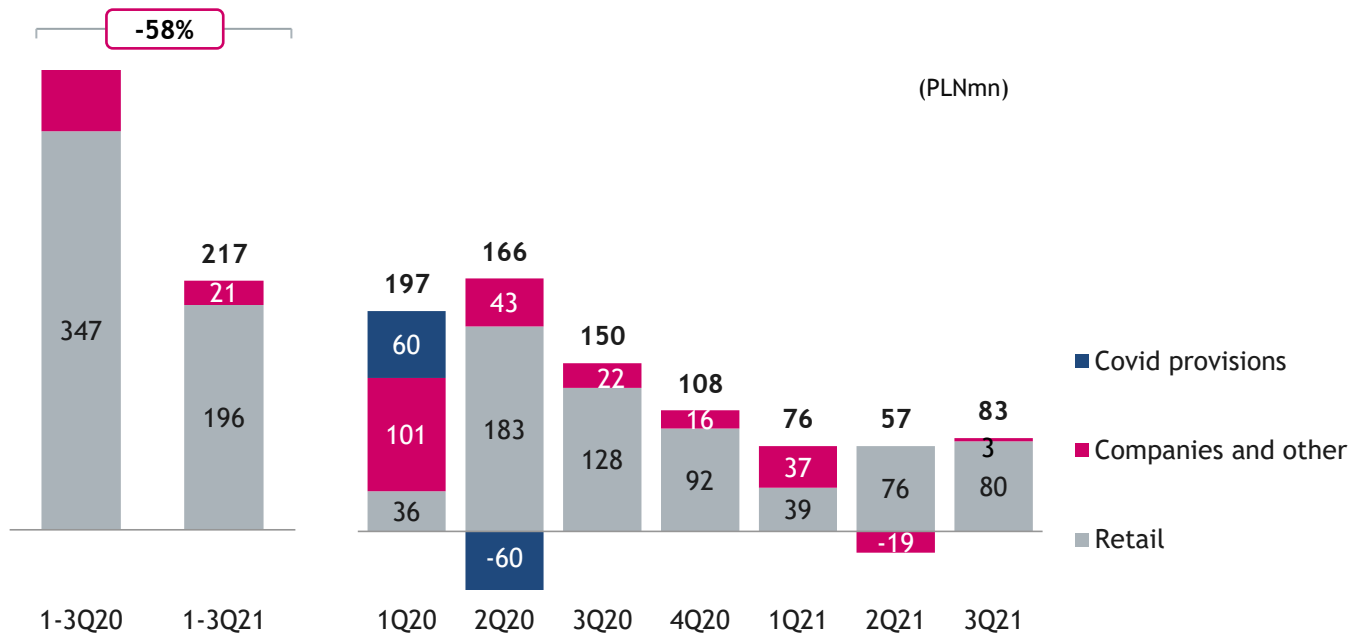
(\*\*) without one-off income and integration costs as well as costs of litigation and amicable settlements with FX mortgage clients

# ASSET QUALITY

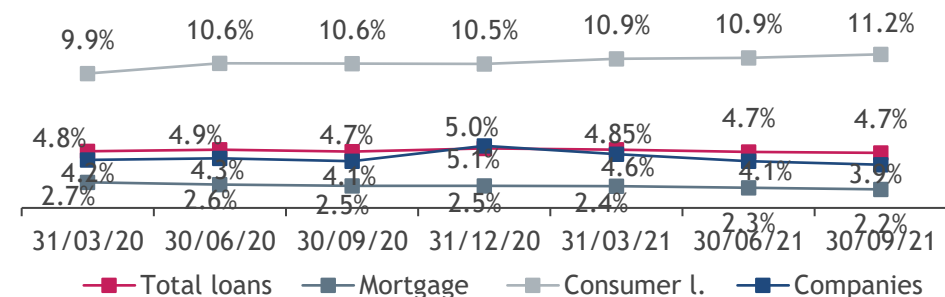
Strong credit quality without signs of deterioration

## Cost of risk (bp)

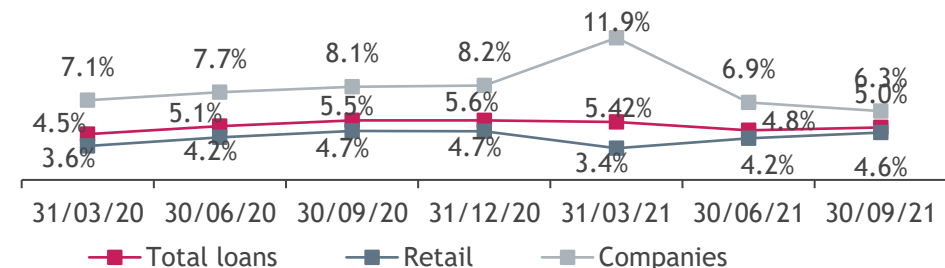
92	36	108*	89	80	55	39	28	42	Total loans
96	44	65	133	91	62	27	52	53	Retail
80	11	103	86	47	29	77	-47	5	Companies



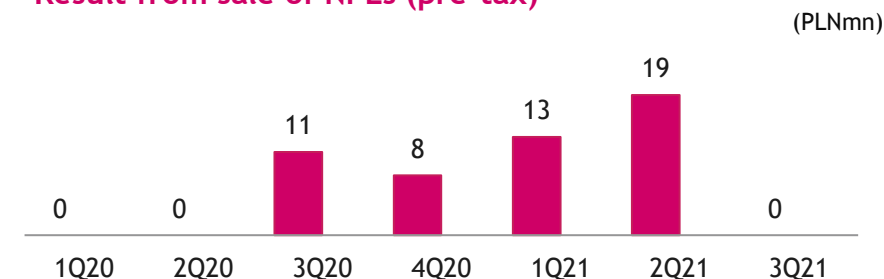
## Impaired loans (IFRS9 stage 3 & POCI)



## Share of stage 2 loans



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

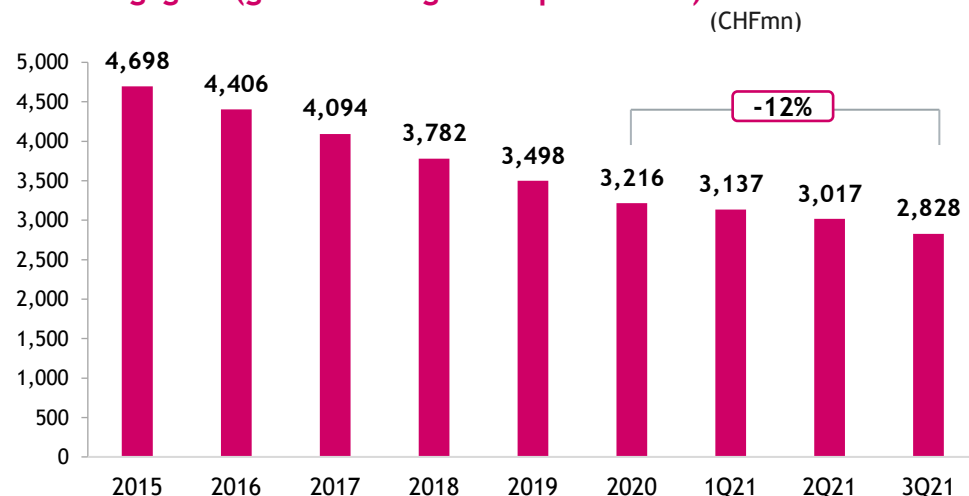




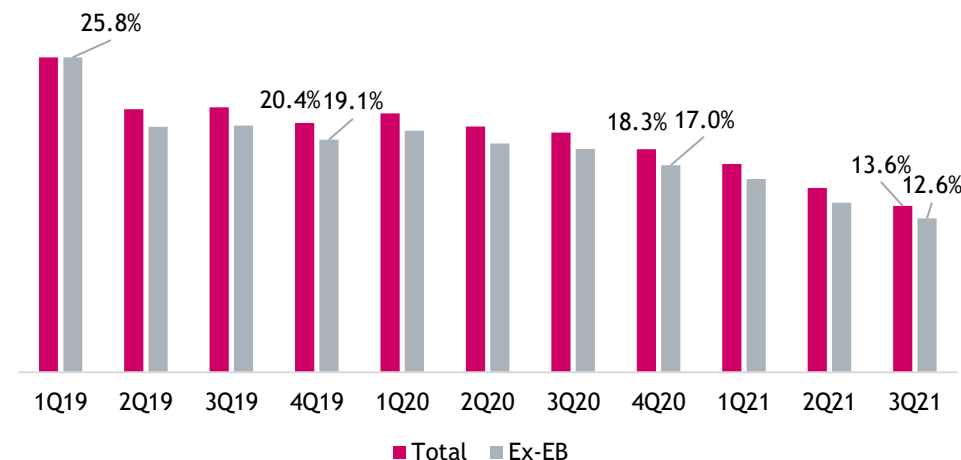
# FX-MORTGAGE PORTFOLIO (1/2)

FX-mortgage portfolio continued to decline steadily in CHF terms

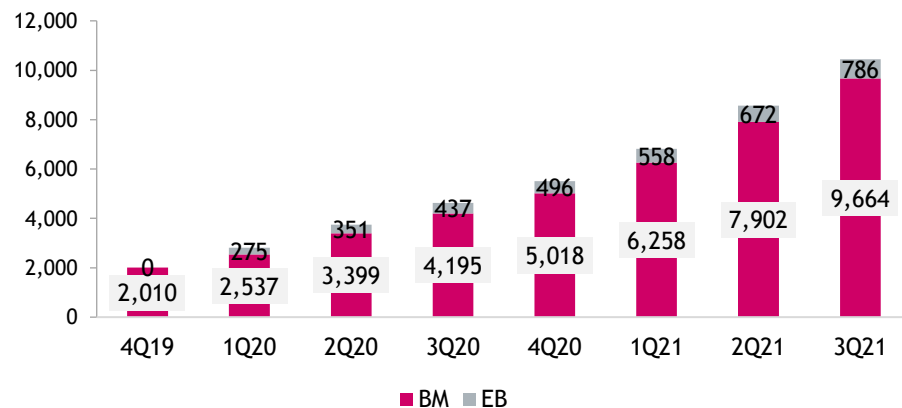
FX-mortgages\* (gross w/o legal risk provisions)



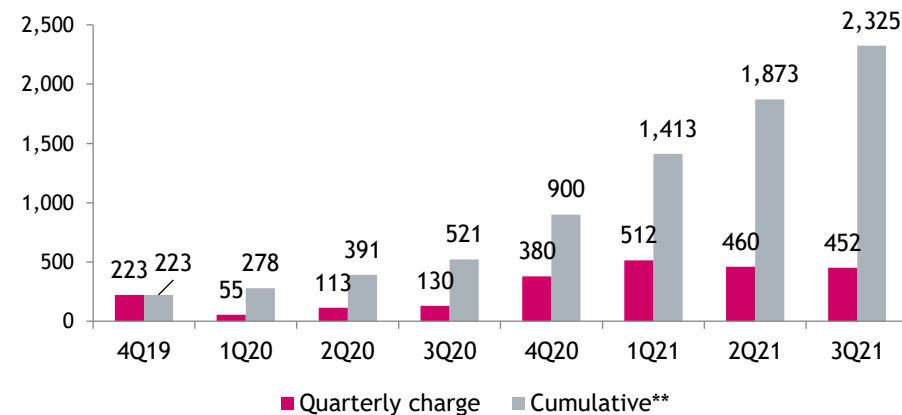
FX-mortgages as % of total gross book (gross after legal risk provisions)



Individual indexation lawsuit cases



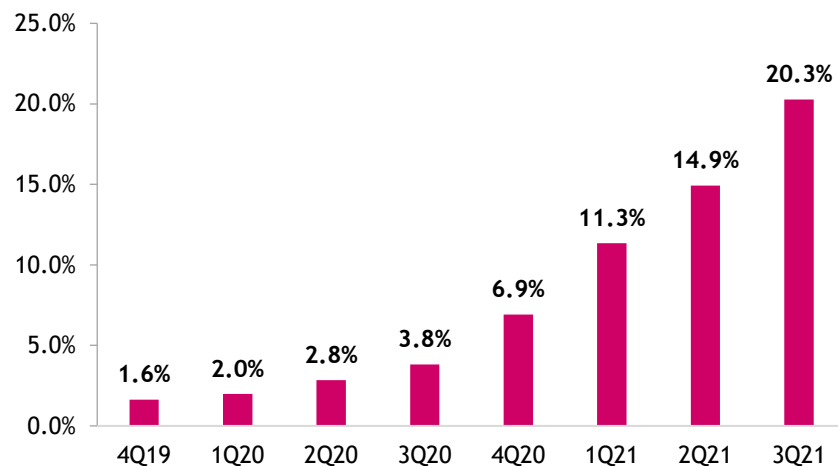
Provisions against legal risk (PLNmn)\*



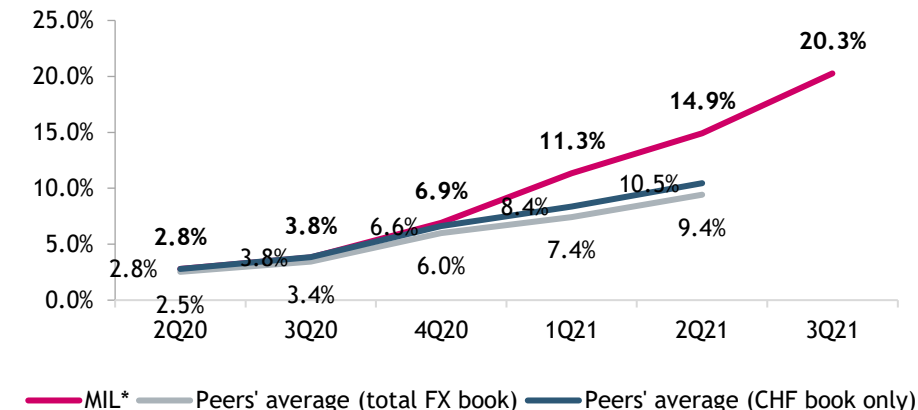
# FX-MORTGAGE PORTFOLIO (2/2)

Above average coverage; inflow of amicable conversions lately exceeding inflow of legal cases

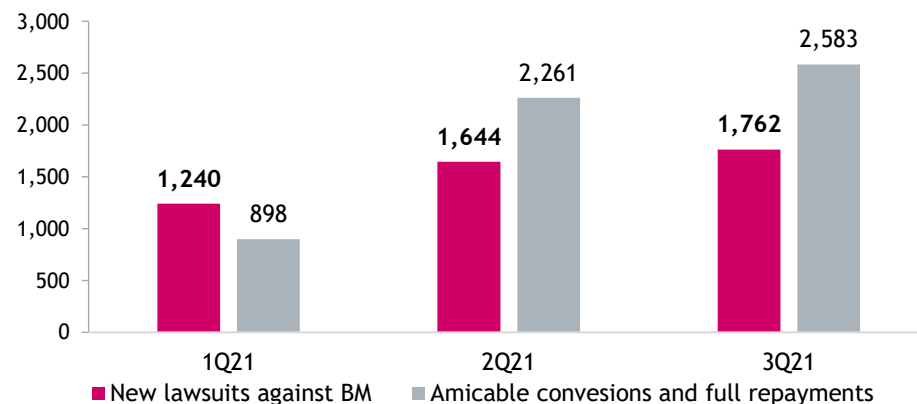
Provisions against legal risk as % of FX-mortgage book\*



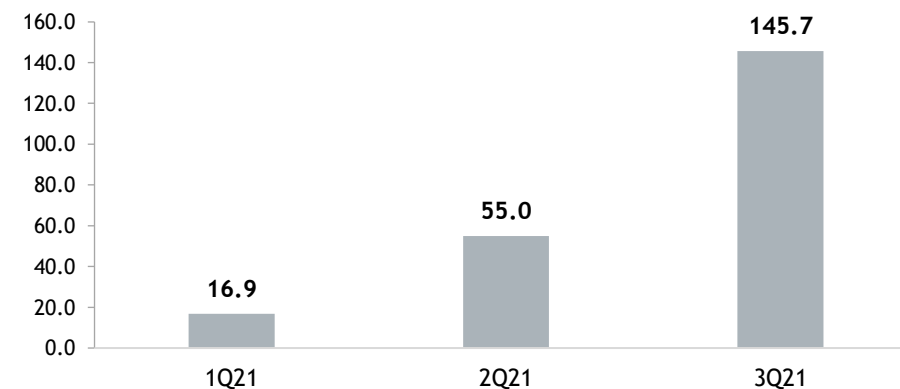
Legal risk provisions - coverage (as % FX-mortgages)



New lawsuits vs. amicable conversions and full repayments (#)



Costs of negotiations (PLNmn, pre-tax)

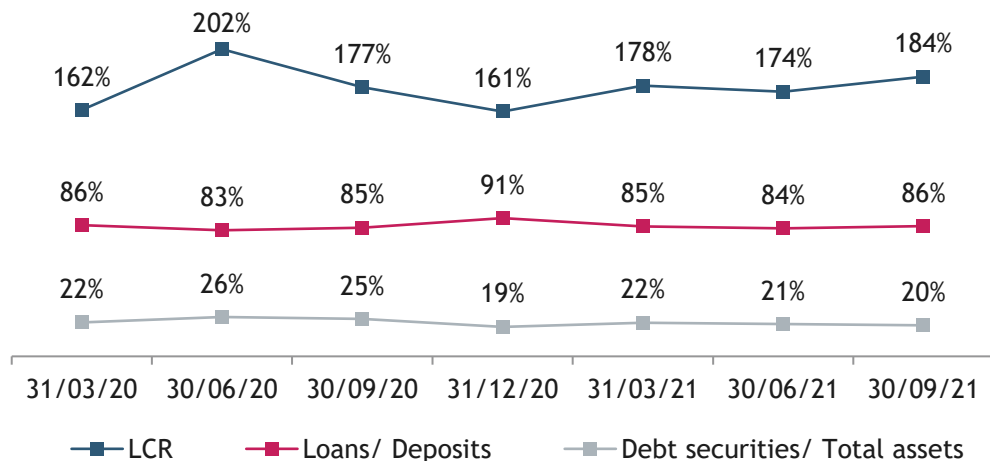


(\*) Excluding f.EB, (\*\*) peers average w/o PKO BP's provisions for conversions

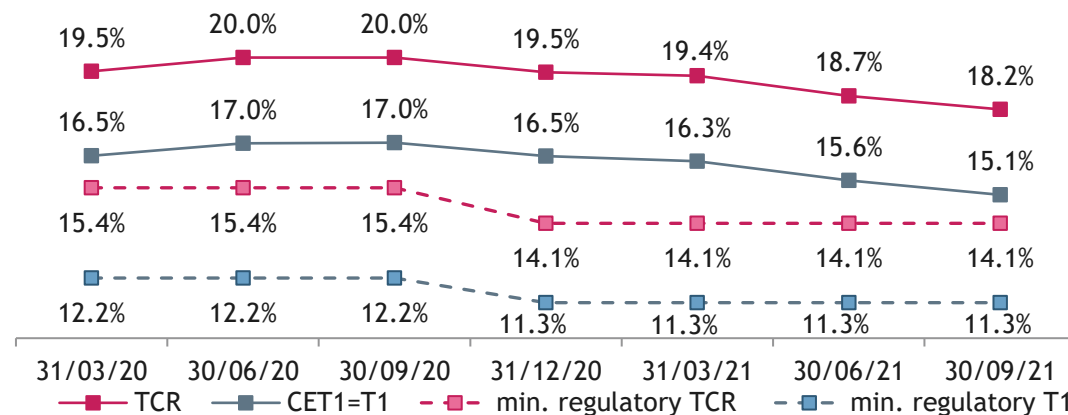
# LIQUIDITY AND CAPITAL

Robust liquidity and strong capital adequacy with surplus of c.a. 4 ppt despite material provisions burden

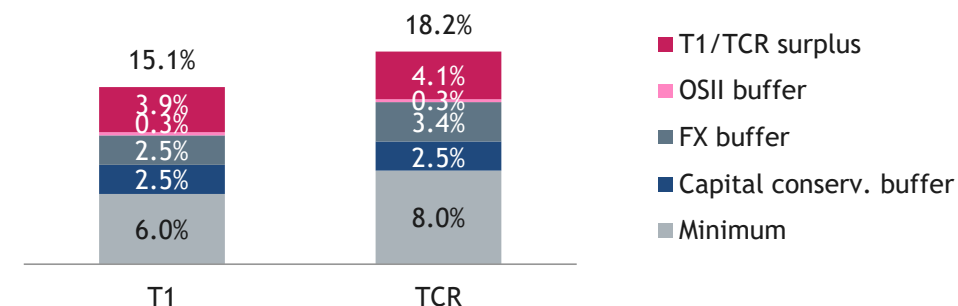
## Liquidity indicators



## Group capital ratios \*



## Capital requirement vs. actual ratios as at 30 September 21 (Group)



### High level of risk absorption capacity:

- **c.a. 4 ppt. points** of T1/TCR surplus
- **2.5%-3.4%** of T1/TCR FX-buffer



## PRESENTATION OF 3Q21/9M21 RESULTS

Business development



# BUSINESS HIGHLIGHTS OF 3Q21/9M21

Retail business growing fast above pre-Covid levels, corporate showing signs of gradual improvement

Loans

**+7% y/y**

Strong mortgage sales

**PLN7bn ytd**

Cash loans sales

**+20% y/y**

Investment products

**+16% y/y**

Active digital customers

**2.2mn**

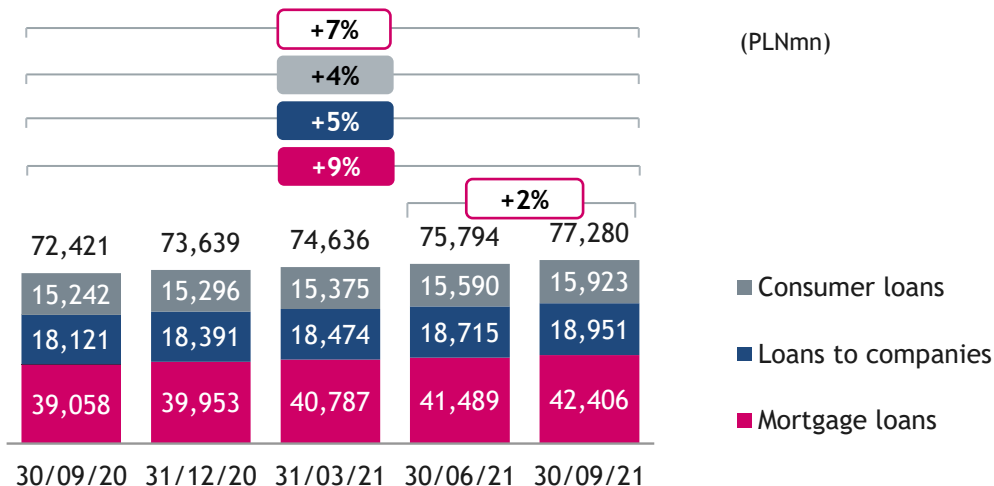
Customer deposits

**+5% y/y**

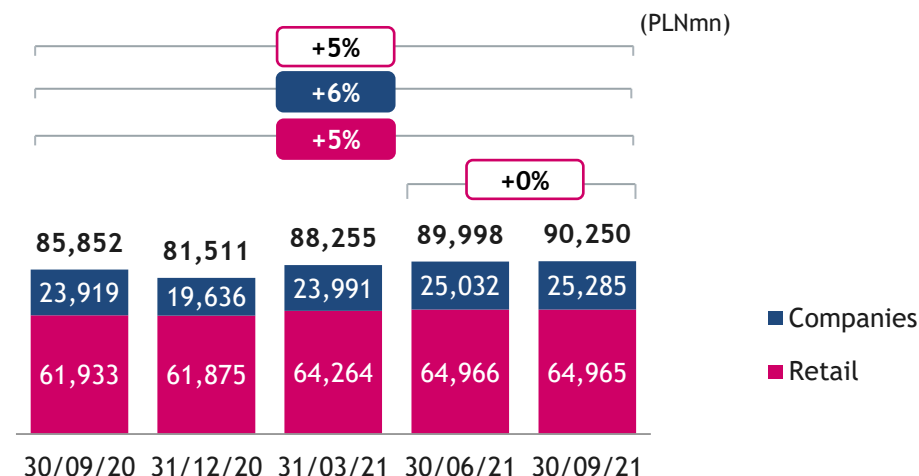
# LOANS AND CUSTOMER FUNDS

Strong dynamics of retail loans supported by mortgages; rebound in loans to companies

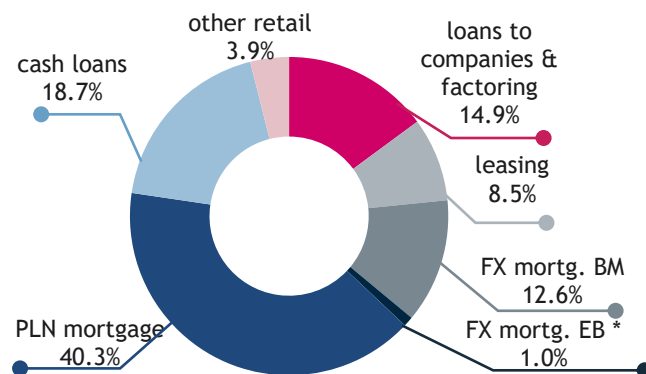
## Loan portfolio of the Group (net)



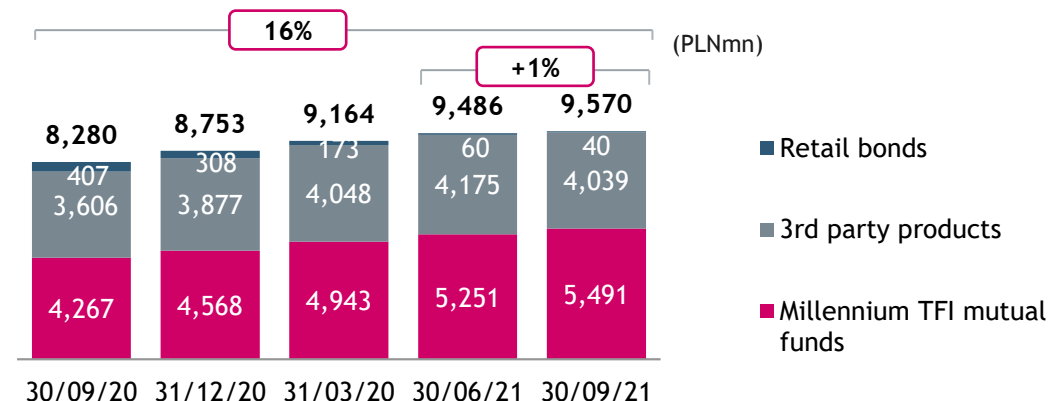
## Customer deposits



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

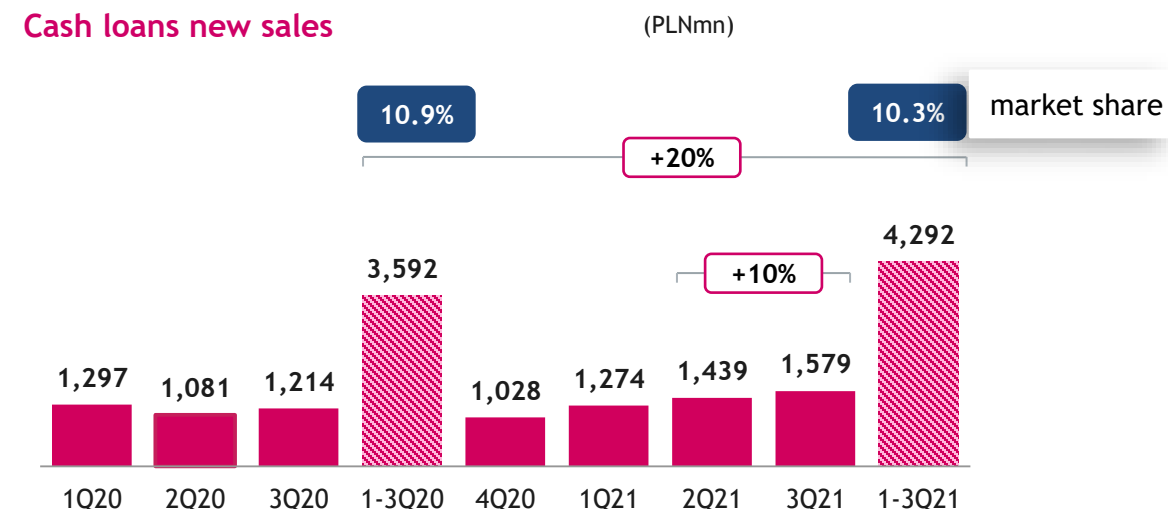
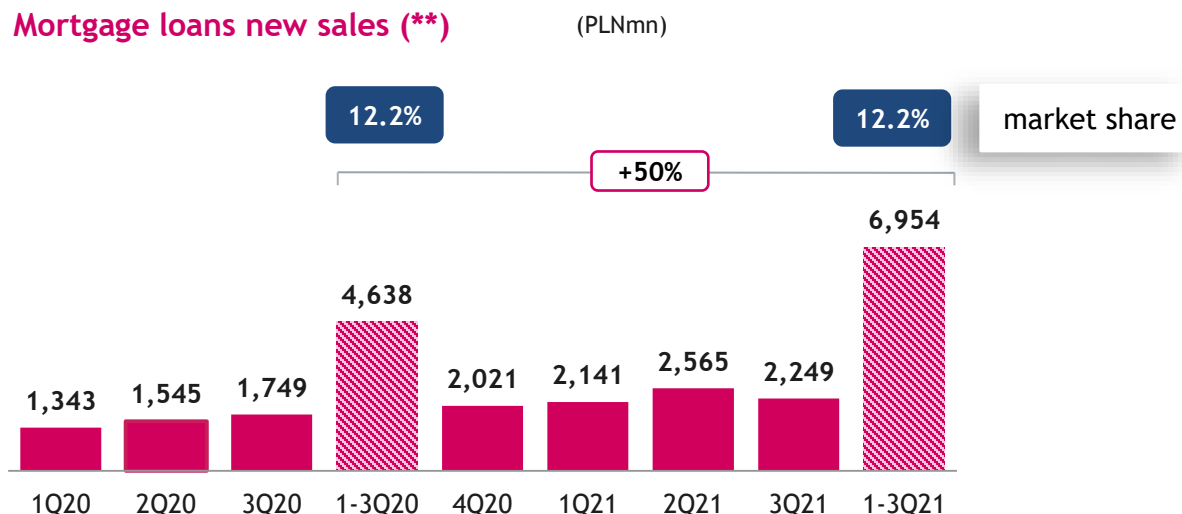
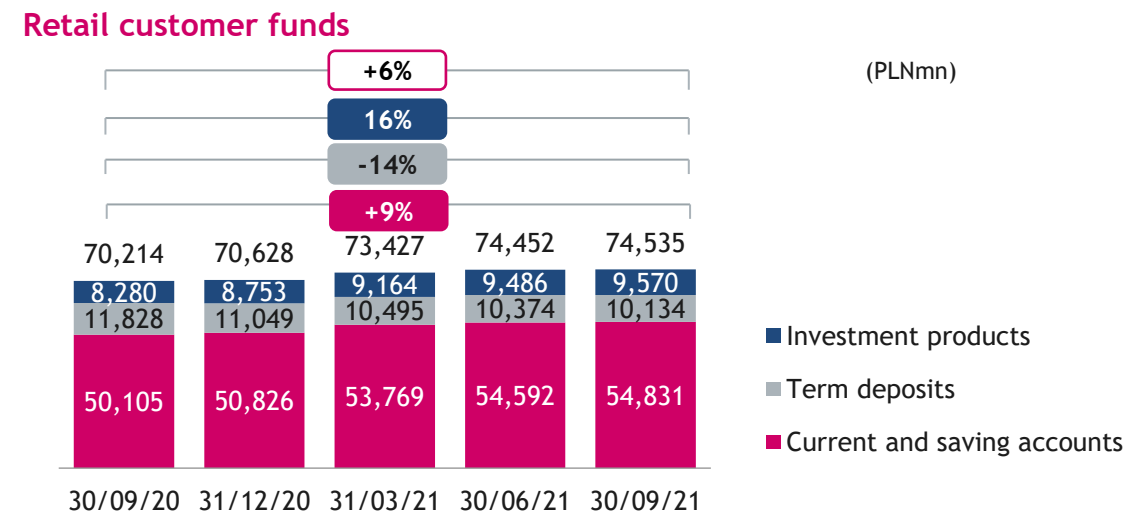
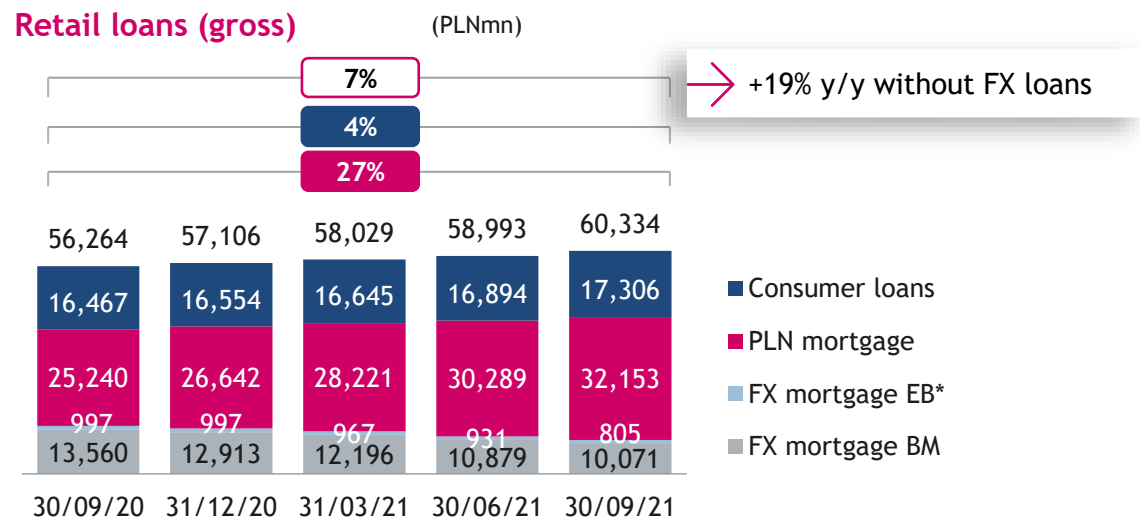


## Investment products



# RETAIL BUSINESS - LOANS AND CUSTOMER FUNDS

High growth of retail loans driven by mortgage with accelerating consumer loans; high dynamics of current accounts volumes and investment products

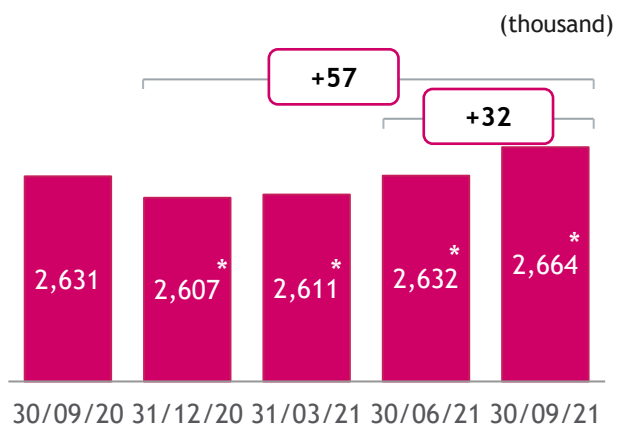


**M** (\*) Loans originated by f. Euro Bank - covered by 100% indemnity and 80% guarantee agreement of SocGen  
 (\*\*) Disbursements; market share as % in value of new agreements

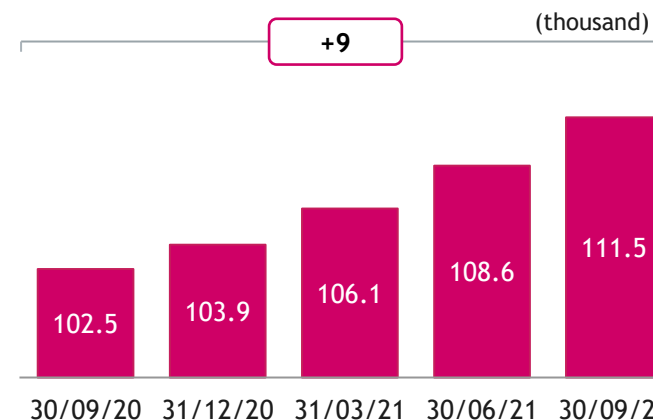
# RETAIL BANKING - NUMBER OF CUSTOMERS AND ACCOUNTS

Steady growth of customers and cards after completed merger with Euro Bank

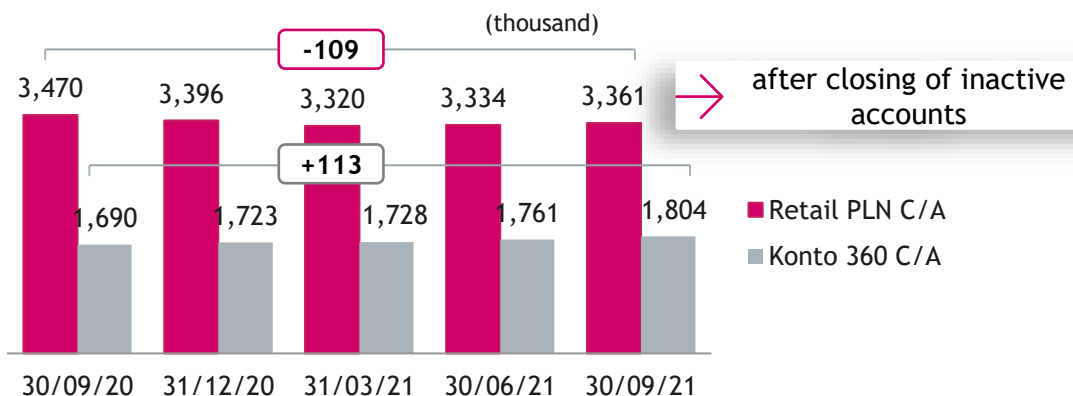
## Active retail clients



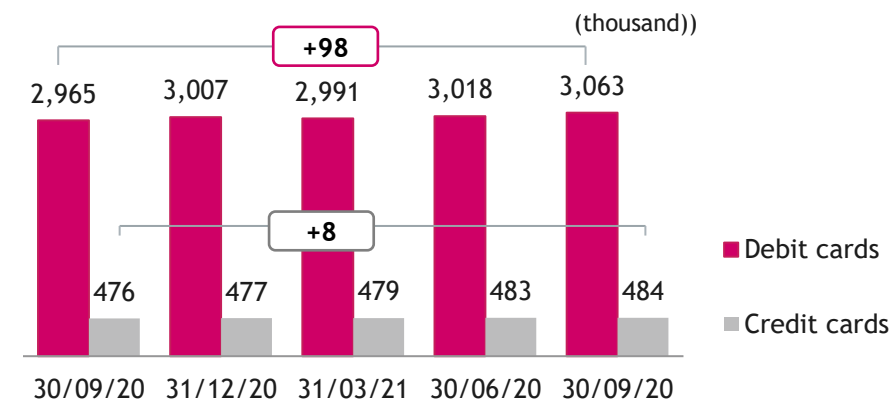
## Active micro-business clients



## Number of current accounts



## Number of debit and credit cards





# DAILY BANKING ON THE SCREEN

We enable a simple start to the world of online finance



**2.2 M**

active digital users (+9% y/y)



**1.9 M**

mobile only users (\*) (+15% y/y)



**1.06 M**

BLIK users in 3Q (+33% y/y)



**Building digital society**




We actively encourage our clients to use mobile banking and VAS.



**Cyber-security**

We promote best practice and warn against new frauds. Our dedicated campaigns about secure banking reach about **2 M** clients.

## Increase 2021 vs. 2020

BLIK transactions		<b>+82%</b>
P2P transfers		<b>+127%</b>
E-commerce transactions		<b>+78%</b>
Mobilet tickets		<b>+52%</b>
Mobilet parking		<b>+106%</b>
Mobile contactless payments		<b>+73%</b>

## Nearly 223,000 applications



for school kit refund, issued via Millenet from July, which gives us market share of more than 10%.

**1,8 M**

clients authorize operations in the mobile app

By using this option in the branches as well, we save about **110,000 sheets of paper per month.**



It is about **155 trees** saved over the course of a year.



(\*) Retail clients using actively the mobile app and mobile Millenet

# COMPREHENSIVE SERVICE AVAILABLE ONLINE

Processes digitisation and mobile solutions

**+96%** in number of cash loans sold online\*

**71%** of all cash loans were disbursed online, even if applying starts in a branch or via TeleMillennium (3Q21)

- ✓ Simple cash loan application process, online management and easier early repayment.
- ✓ Convenient consolidation of loans in other banks.
- ✓ Satisfaction survey after every applications process.

**+16%** accounts opened online\*, thanks to 3 different paths:

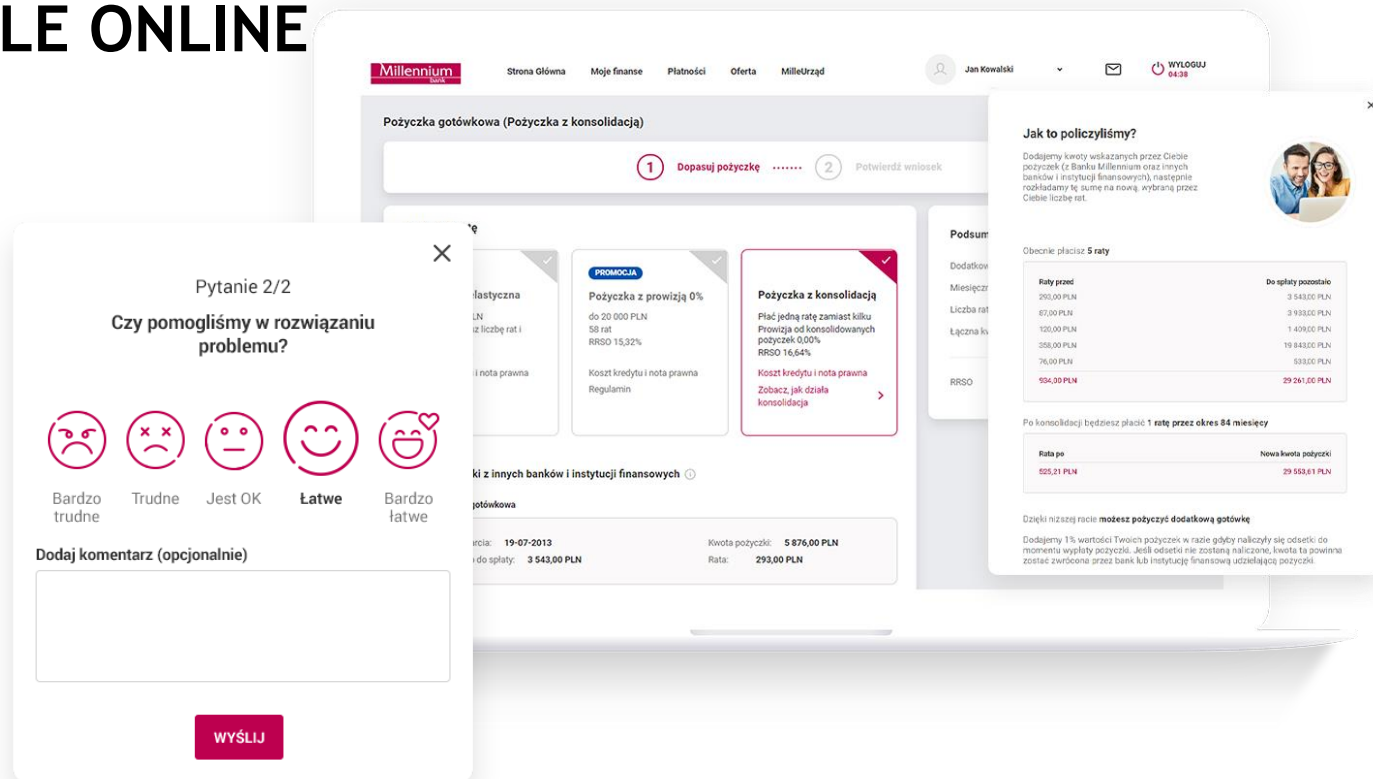
- by selfie
- with open banking
- with courier

**53%** of junior accounts opened online in 3Q21

**32%** of clients aged 7-12 use our junior mobile app



\* Compared to Q3 2020



## For Business

- New opening process of foreign currency account, easier own transfers and credit processes for entrepreneurs in digital channels.
- Innovative Smart Terminal Plus package for clients with retail business.
- PFR Financial Shield subsidy settlements in the bank's system.

**25%**

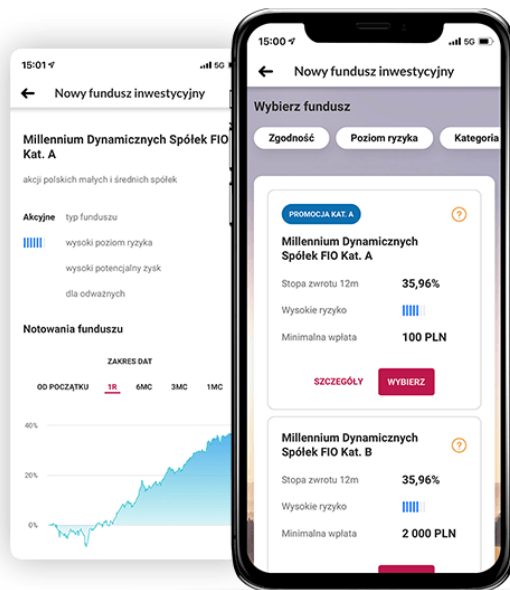
of loans for micro firms, disbursed in 3Q21, were started in digital channels

# THE DIGITAL WORLD OF INVESTMENTS

In an era of low interest rates, we make it easy to actively invest savings

**50%** digital channels share in investment products sales\*

**55%** MiFID questionnaires in August and September 2021, clients completed online



## Helping to make smart choices

- ✓ Educational materials and videos available online
- ✓ Monthly sum-up of situation on financial markets
- ✓ Campaigns with introduction to investment products
- ✓ Webinars with experts

## Investment funds

Millennium TFI funds purchase available in digital channels. For clients from prestige and private segments open architecture funds also available online.

Funds orders at the branch can be confirmed on the mobile app.

## Millennium Investment Programme (PIM)

73% of plans with standing orders, clients opened online.



# GOODIE - SMARTSHOPING PLATFORM OF BANK MILLENNIUM

Continued development and even better app



## Since 2018:

**2.6mn** app downloads

**PLN789mn**

Generated cashback turnover

**PLN20mn**

Amount of cashback

**PLN6.5mn**

Cashback transaction number

## 3Q21:

**112,000** app downloads

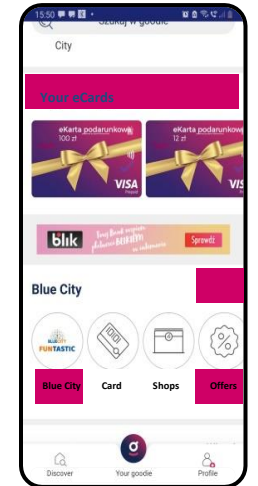
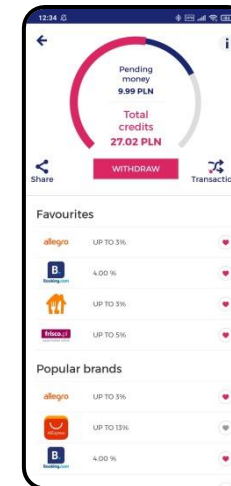
**PLN141mn**

Generated cashback turnover and almost 1mn cashback transactions

**PLN2.8mn**

Amount of cashback

Significant increase in the sale of goodie eCards.

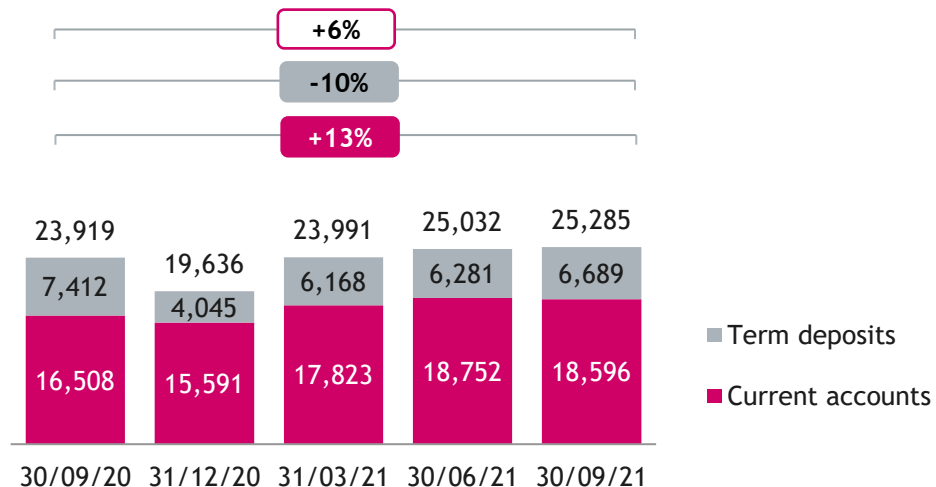


# COMPANIES BUSINESS - DEPOSITS AND LOANS

Loans growth more visible: +4% y/y with rebound in leasing; deposits up +6% y/y

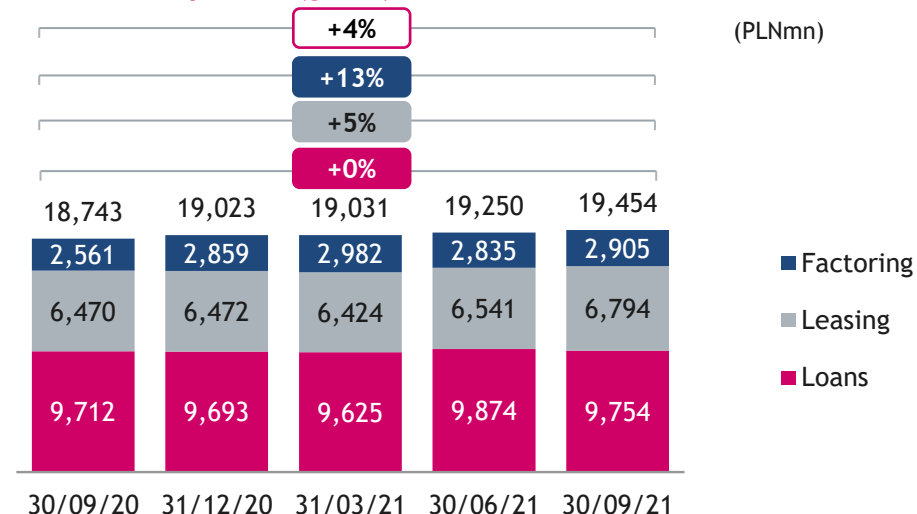
## Companies deposits

(PLNmnn)



## Loans to companies (gross)

(PLNmnn)

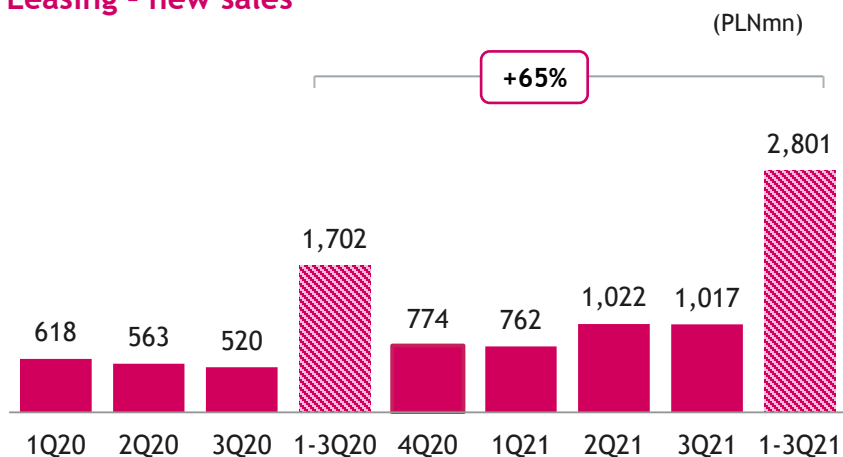


- **The loan portfolio** grows +4% y/y
- Good dynamics of **factoring** business +13% y/y
- **Leasing** rebounded showing the growth of 5% /y
- Robust pace of growth of companies' **current accounts (+13% y/y)**
- **Strong pickup in transaction activity**
- **Digitalisation of client service progressing** and entering new areas (e.g. signing agreements, exchange of documents signed in e-format, Millenet FX transaction functionality available 24 hours a day, webinars)

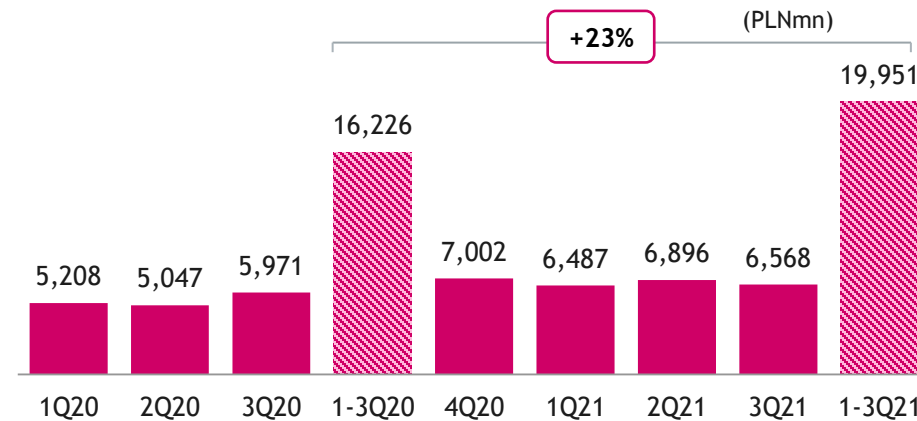
# COMPANIES BUSINESS - LOANS AND TRANSACTIONS

Leasing sale rebounded and grows +65% y/y; factoring grew strongly +23% y/y

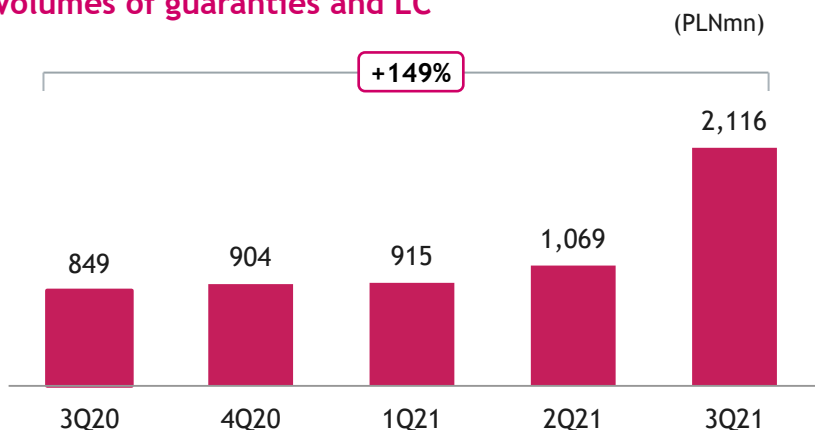
## Leasing - new sales



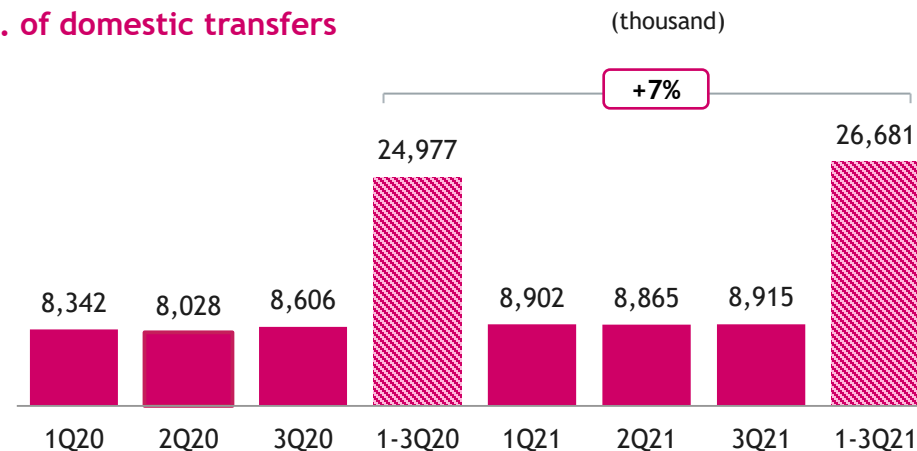
## Factoring - turnover



## Volumes of guaranties and LC



## No. of domestic transfers





# INNOVATION LEADER

Our digital solutions stay ahead of the competition and gain international recognition



## BLIK contactless payments

In July we were the first bank to introduce to clients the new payment method by phone

## Great UX and simple design

Re-designed dashboard in the mobile app as well as Millenet, and shortcuts to the most popular features

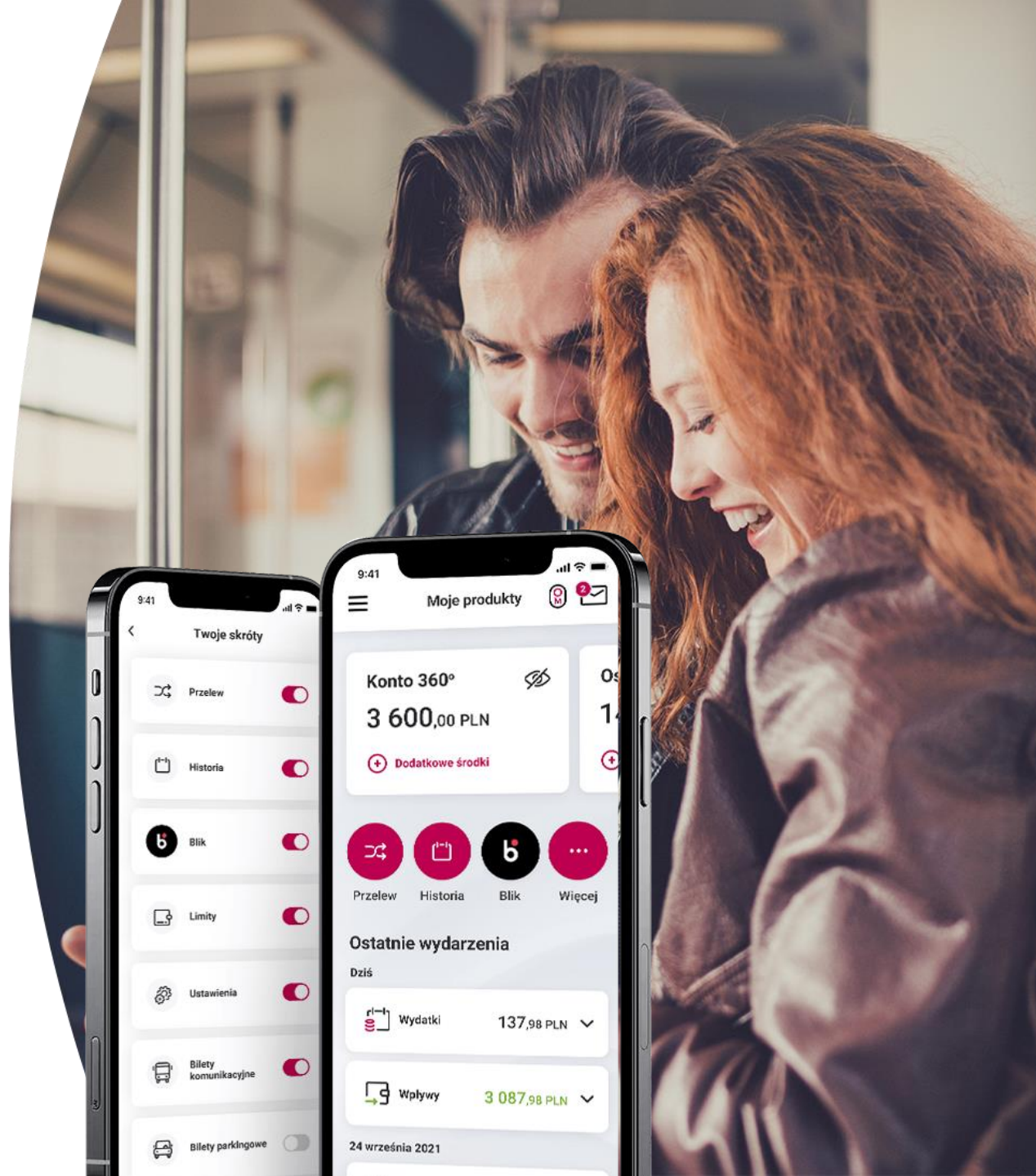
## The Best Consumer Digital Bank in Poland 2021

Main category award in the **Global Finance's World's Best Digital Banks** ranking

## Banking Tech Awards

We were nominated to the awards for:

- Mobile Authorization in branches in the Best Mobile Initiative category
- Mortgage loan application online tracking in the Best UX/CX in Finance Initiative category







## NOVELTIES AND IMPROVEMENTS FOR CORPORATE BANKING CLIENTS

- In Millenet for Companies internet banking we have provided a tool, which is unique on the market, to support system users - **chat with specialised advisers with co-browsing functionality**.
- Millenet for Companies is an integrated platform and convenient solution both for clients of Bank Millennium and Millennium Leasing where users can fully manage lease contracts concluded with Millennium Leasing. Already nearly **70% of leasing clients have been using electronic invoices** through this service.
- Besides instruments available in credit products, **we implemented new guarantee in leasing**. Under the portfolio agreement signed with BGK Millennium Leasing manages guarantee line in the amount of PLN 200 mln. The instrument, prepared in collaboration with the European Investment Fund from the Pan-European Guarantee Fund, is designed to provide support and protection of Entrepreneurs against impacts of the Covid pandemic.
- We have expanded availability of the lease offering by means of the network of the Bank's franchise branches as well as remote channels.



03

# PRESENTATION OF 3Q21/9M21 RESULTS

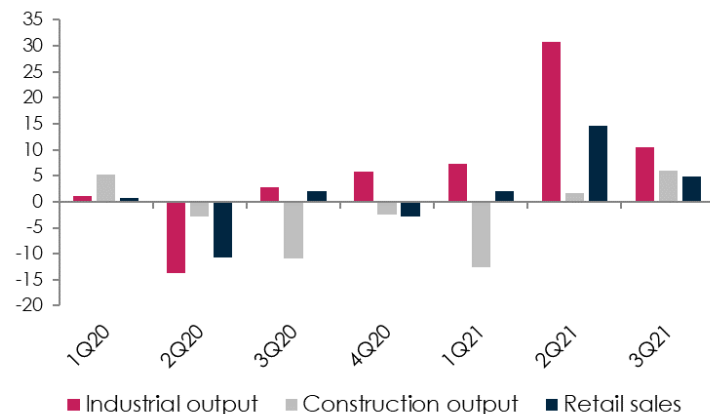
Appendices

# MACROECONOMIC OVERVIEW

## Economy

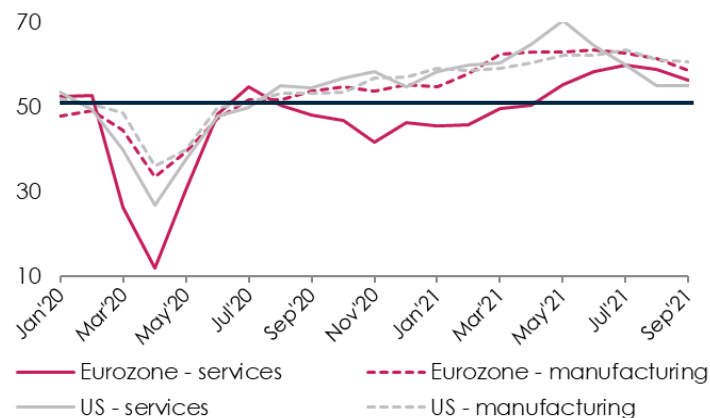
Data from Polish economy

(% y/y)



PMI indicators

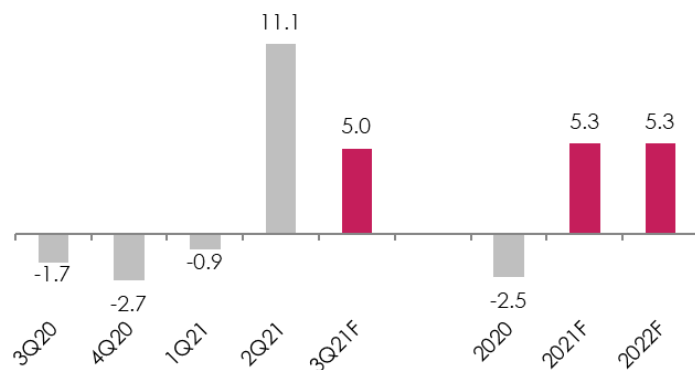
(pts)



↘ In 2Q21 Polish economy grew by 11.1% y/y and it returned to pre-pandemic level just in one year after crisis broke out. Economy continued expansion in 3Q21, despite disruptions in supply chains and elevated inflation. Shortage of labour and materials reduces pace of recovery in some Poland's main trade partners. Unemployment rate continued to decline reaching 5.6% in September 2021. Inflation accelerated substantially as companies are passing on increased costs into consumer prices.

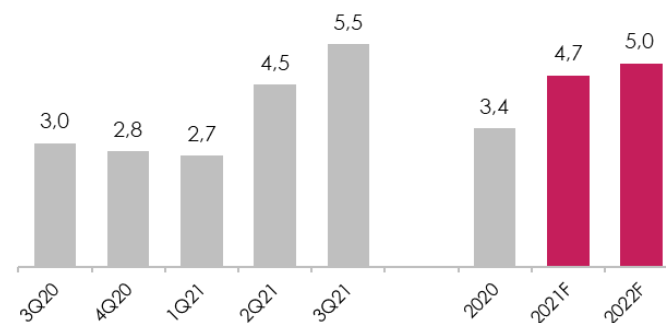
GDP growth rate

(% y/y)



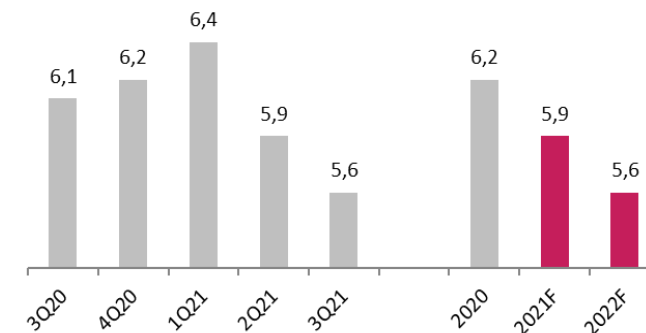
CPI inflation

(% y/y)



Registered unemployment rate

(%)

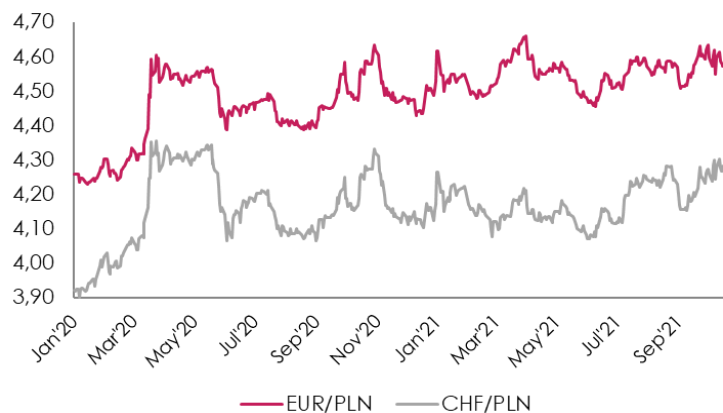




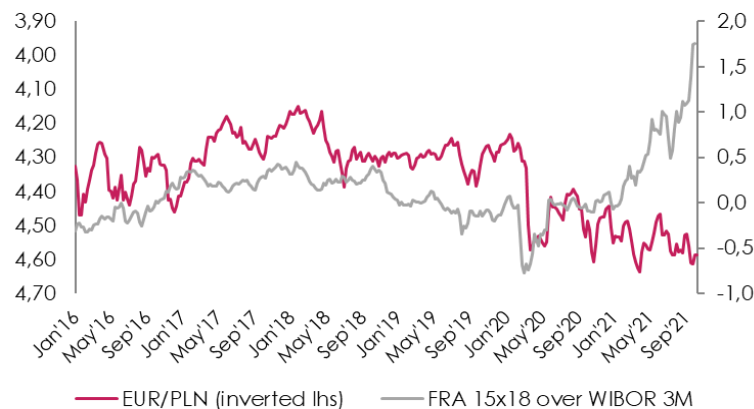
# MACROECONOMIC OVERVIEW

## Financial markets

### EUR/PLN and CHF/PLN exchange rate

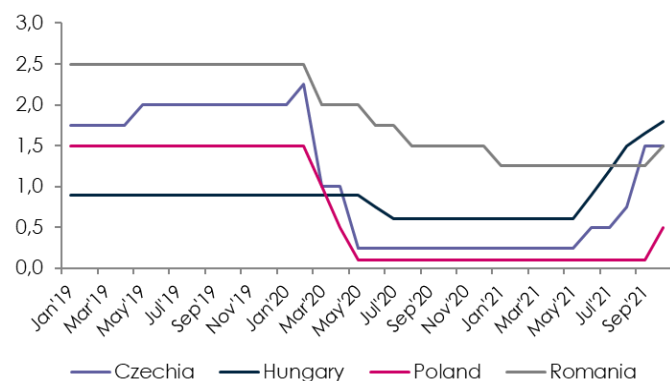


### EUR/PLN and expected changes in interest rates



Monetary Policy Council kept rates at record low levels in 3Q21 and continued asset purchase program. However, unexpectedly it started normalisation of monetary policy in October and hiked reference rate by 40 bps. Polish Zloty remains under negative pressure from global sentiment and political risk.

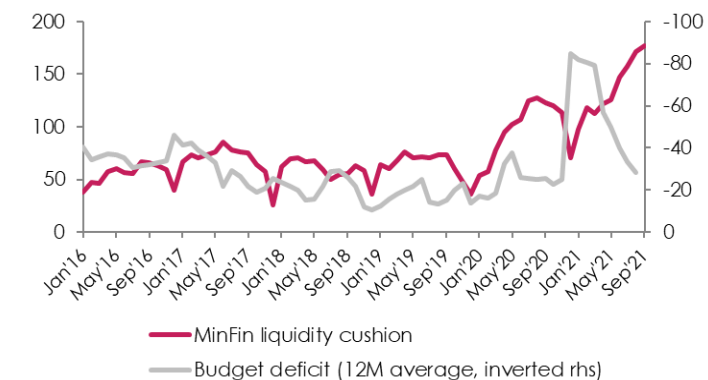
### Official interest rates in CEE countries (%)



### Yields of Polish T-bonds (%)



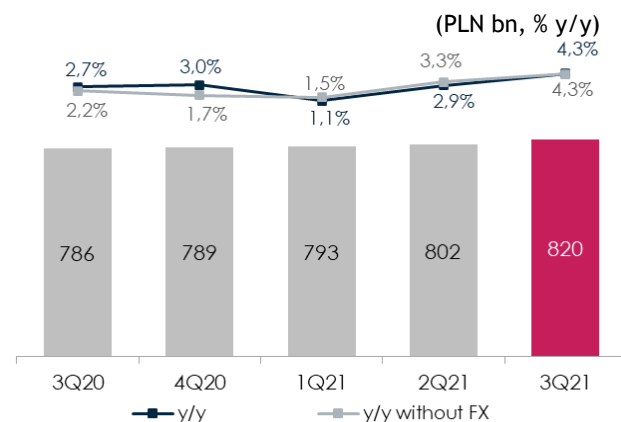
### MinFin liquidity cushion and budget deficit (PLN bn)



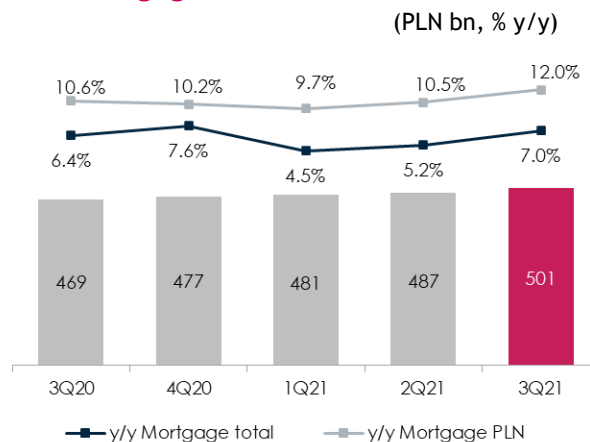
# MACROECONOMIC OVERVIEW

## Monetary aggregates

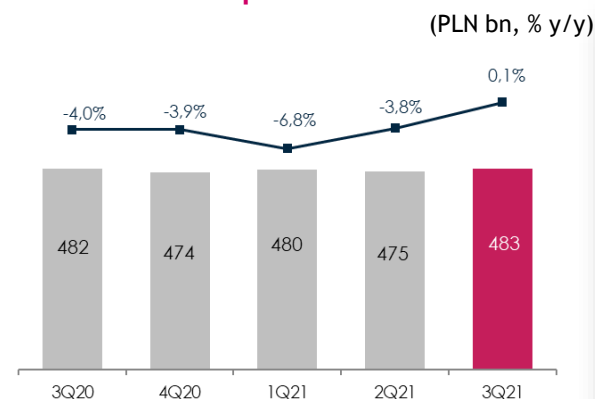
### Loans to households



### Mortgage loans

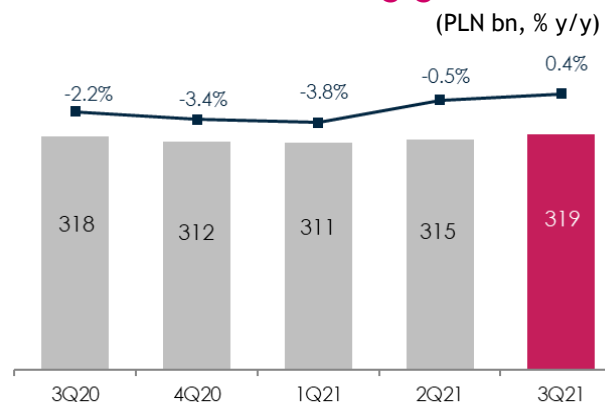


### Loans to companies

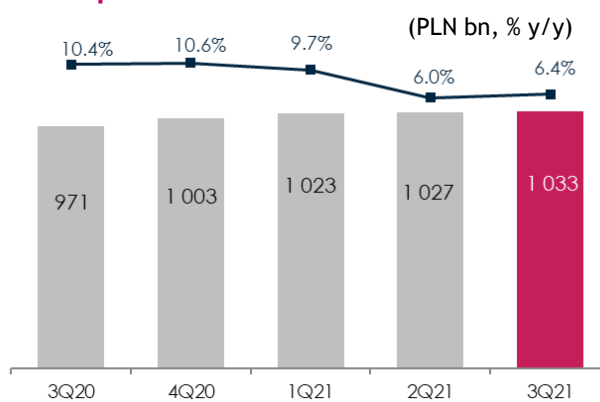


In 3Q21 the value of loans to households continued to grow, driven by still solid demand for mortgage loans and recovery in consumer loans. Annual dynamics of loans to corporate sector turned into positive territory, partially because of FX changes.

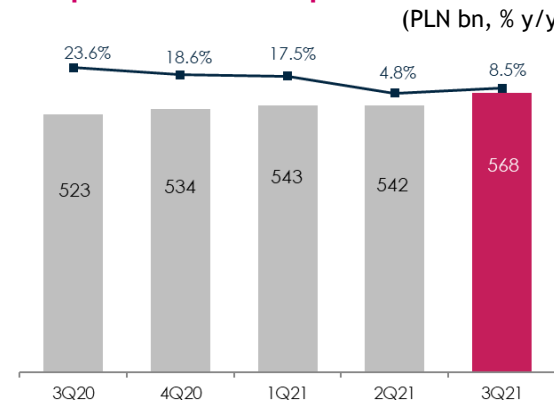
### Households: non-mortgage loans



### Deposits from households



### Deposits from companies

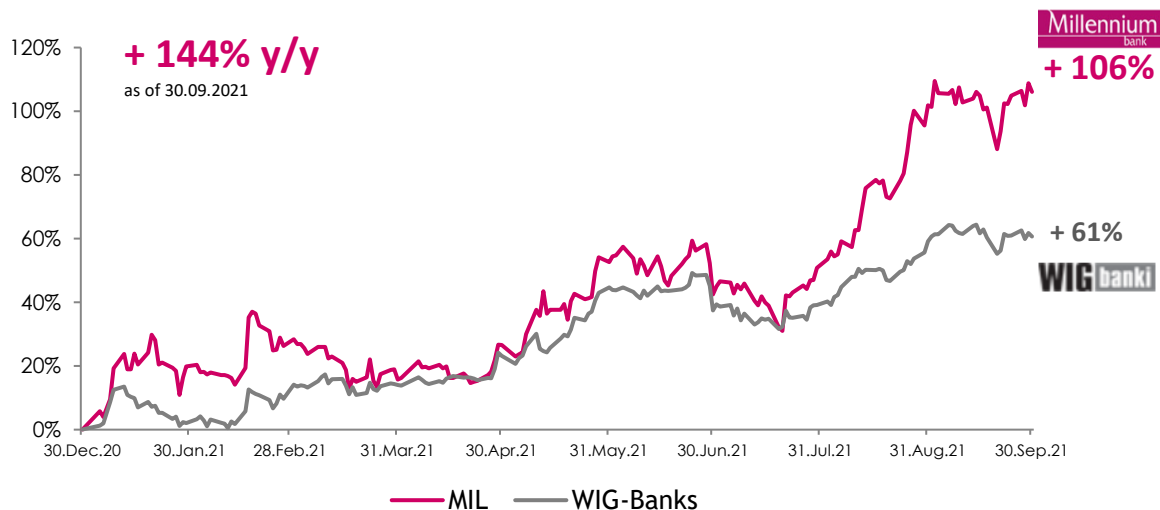


Growth of deposits slightly accelerated in 3Q21 compared to the previous quarter, reflecting solid financial condition of households and corporate sector.

# RATINGS AND MARKET RATIOS

In 3Q21 positive investor sentiment about bank stocks was maintained

## Bank Millennium share performance vs. WIG Bank index



## Ratings of Bank Millennium



On September 10, Fitch Ratings removed Bank Millennium's ratings from the "under watch" list with negative outlook and confirmed "BBB-" long-term rating with a negative outlook.

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

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

## Banku 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 (31.12.2020)

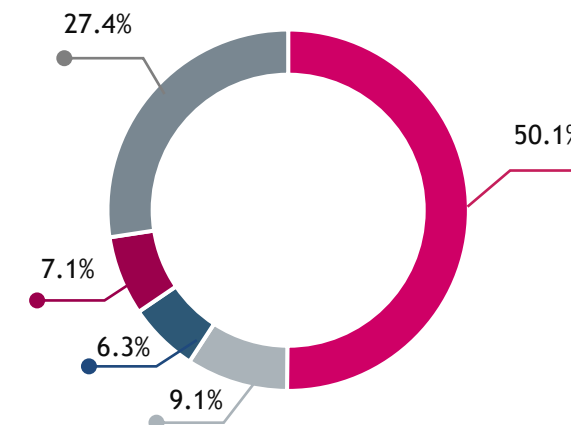
■ BCP

■ Nationale-Nederlanden Pension Fund

■ Aviva Pension Fund

■ PZU „Złota Jesień" Pension Fund

■ Remaining free float



# ESG: BANKING IN MILLENNIUM - RESPONSIBLE AND WITHOUT BARRIERS

We assist, care about the environment and make life easier

## E - Environment

- We act in accordance with the [environmental policy](#). Bank Millennium Group **does not finance new coal mines** and coal-fired power generation projects, except for new projects related to reduction of pollution.
- Our exposures to coal mining and industries directly associated with mining are insignificant (last year, the Bank Millennium Group's exposure was 2.2% of the corporate portfolio and 0.6% of the Group's entire portfolio).
- For 10 years now, we have been monitoring and reducing the level of our own greenhouse gas emissions. We are investing in environmentally-friendly solutions in the Bank's headquarters: **in 2022 all the energy purchased by the Bank will be renewable**. We have opened **an environmentally-friendly branch** in Gdańsk and we are introducing environmental solutions in our headquarters.
- [WWF Millennium Mastercard](#) credit card (APR 9.64%) is offered as part of the Bank's **long-term cooperation with the WWF Poland Foundation**. The card is made with recycled plastic.
- We support the propagation of knowledge about the world and the environment: **we have been the patron of the [Millennium Docs Against Gravity](#) festival** for 16 years now. Part of this year's festival was the #pięćkrokówgrety (#gretasfivesteps) climate awareness campaign and the main film was "I am Greta" about Greta Thunberg.

## S - Society

- Banking without barriers is our priority. We have introduced numerous [facilities](#) for people with impaired vision, hearing and movement.
- **We are digitalizing an increasing number of services** and we provide assistance in making [the first step online](#).
- We run the ["Financial ABC"](#) education program for pre-schoolers, because we believe that good financial habits should be formed during childhood. This approach is confirmed by surveys of parents commissioned by the Bank Millennium Foundation.
- We build an attractive working environment. We have been named **Poland's Best Employer 2021** in the Forbes and Statista ranking developed on the basis of employee surveys.
- In April 2020, the Bank established a **fund** in the amount of one million zloty to finance the treatment and rehabilitation of its employees in connection with COVID-19; the funds are provided on an ongoing basis, upon requests from employees.

## G - Governance

ESG (Environmental, Social, Governance) issues are part of Bank Millennium Group's current business strategy and **will also be included in the new strategy for 2022-2024**. The direction and measures of ESG activities are regularly reviewed, measured and reported in annual non-financial reports of the Bank Millennium Group.





# BANK MILLENNIUM IS THE BEST DIGITAL BANK IN POLAND

The best relationships with customers, high brand position and innovation confirmed by independent rankings and competitions



## Bank Millennium is the best digital bank according to Global Finance magazine

Bank Millennium was awarded The Best Consumer Digital Bank in Poland for 2021 in the World's Best Digital Banks competition organized by the renowned Global Finance magazine. This is yet another international award for the bank's achievements this year.



## Banking Stars 2021 - Bank Millennium ranked 3rd in the "Star of customer relations"

Millennium was among the banks distinguished in the Banking Stars ranking organized by Dziennik Gazeta Prawna and PwC. In the "Star of customer relations" competition, in which the customers of banks evaluate it, Bank Millennium came third.

NAJLEPSZE POLSKIE MARKI 2021				
Miejsce w rankingu w kategorii	Miejsce	Marka	Kategoria	
1	1	BIEDRONKA	Sprzedaż detaliczna żywności	
2	1	ORLEN	Paliwa	1 721
3	1	BANK MILLENNIUM	Banki	1 699
4	2	PKO BP	Banki	1 642
5	3	MBANK	Banki	1 541
6	4	ING BANK SŁĄSKI	Banki	1 494
7	-	ALLEGRO	Sprzedaż detaliczna	1 475
8	5	ALIOR BANK	Banki	1 392

## Millennium is third in the TOP 200 Best Polish Brands ranking

In the "Forbes" magazine's TOP 200 Best Polish Brands ranking, the Bank was ranked high, third (the highest-ranked bank in the ranking). The TOP 200 Best Polish Brands ranking shows the position and value of brands from the perspective of their strength in the minds of customers and their role in generating revenues.

# SYNTHETIC P&L ACCOUNT

PLNmn	1-3Q20	1-3Q21	Change Y/Y	2Q21	3Q21	Change Q/Q
Net interest income*	1 958	1 946	-1%	655	669	2%
Net commission income	553	616	11%	209	202	-4%
Other non-interest income	157	73	-53%	58	-25	-143%
<b>Operating Income</b>	<b>2 668</b>	<b>2 635</b>	<b>-1%</b>	<b>922</b>	<b>846</b>	<b>-8%</b>
General and administrative costs	-1 176	-1 057	-10%	-329	-352	7%
Depreciation	-159	-151	-5%	-49	-50	2%
<b>Total operating costs</b>	<b>-1 335</b>	<b>-1 208</b>	<b>-10%</b>	<b>-379</b>	<b>-402</b>	<b>6%</b>
Net cost of risk **	-513	-217	-58%	-57	-83	46%
FX legal risk provision	-298	-1 573	428%	-514	-526	2%
<b>Operating profit</b>	<b>522</b>	<b>-363</b>	<b>-</b>	<b>-27</b>	<b>-166</b>	<b>-</b>
Banking tax	-209	-231	10%	-77	-79	2%
<b>Pre-tax profit</b>	<b>313</b>	<b>-594</b>	<b>-</b>	<b>-104</b>	<b>-245</b>	<b>-</b>
Income tax	-181	-229	26%	-96	-66	-31%
<b>Net profit</b>	<b>132</b>	<b>-823</b>	<b>-</b>	<b>-200</b>	<b>-311</b>	<b>-</b>

(\*) Margin from all derivatives, including those hedging FX denominated loan portfolio, is presented in Net Interest Income

(\*\*) cost of risk includes impairment provisions (on all stages), FV adjustment on loans and result on modification.

# BALANCE SHEET

PLNmn	30.09.2020	30.06.2021	30.09.2021	Change y/y
<b>ASSETS</b>				
Cash and balances with the Central Bank	1 182	2 676	1 978	67%
Loans and advances to banks	862	606	578	-33%
Loans and advances to customers	72 421	75 794	77 280	7%
Amounts due from reverse repo trans.	42	18	9	-77%
Debt securities	25 179	22 175	21 229	-16%
Derivatives (for hedging and trading)	185	163	138	-25%
Shares and other financial instruments	172	133	169	-2%
Tangible and intangible fixed assets	941	912	911	-3%
Other assets	1 094	1 630	1 499	37%
<b>TOTAL ASSETS</b>	<b>102 078</b>	<b>104 107</b>	<b>103 791</b>	<b>2%</b>
<b>LIABILITIES AND EQUITY</b>				
Deposits and loans from banks	1 105	742	529	-52%
Deposits from customers	85 852	89 998	90 250	5%
Liabilities from repo transactions	449	0	0	-1
Financial liabilities at fair value through P&L and hedging derivatives	810	329	444	-45%
Liabilities from securities issued	659	311	291	-56%
Provisions	218	408	379	74%
Subordinated liabilities	1 539	1 540	1 539	0%
Other liabilities	2 224	2 402	2 380	7%
<b>TOTAL LIABILITIES</b>	<b>92 856</b>	<b>95 731</b>	<b>95 813</b>	<b>3%</b>
<b>TOTAL EQUITY</b>	<b>9 222</b>	<b>8 376</b>	<b>7 979</b>	<b>-13%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>102 078</b>	<b>104 107</b>	<b>103 791</b>	<b>2%</b>

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[@BankMillennium](#)

Next events:



to be announced later