



Millennium  
bank



**Presentation**  
**3Q22/1-3Q22**  
**results**

24 October 2022

# 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.
- 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 the Bank presents a part of costs of amicable settlements with FX-mortgage borrowers in 'results from modifications' and these costs are not included in the cost of risk in this presentation.

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



# AGENDA

Financial  
performance

01

Business  
development

02

Appendices

03





# PRESENTATION OF 3Q22/1-3Q22 RESULTS

Financial performance

# KEY PROFIT & LOSS ITEMS

PLNmn	1-3Q22	1-3Q21	Change Y/Y	3Q22	2Q22	Change Q/Q
Net interest income	3 411	1 946	75%	1 271	1 179	8%
Net commission income	606	616	-2%	179	206	-13%
<b>Total operating income</b>	<b>3 902</b>	<b>2 635</b>	<b>48%</b>	<b>1 405</b>	<b>1 337</b>	<b>5%</b>
<b>Total costs</b>	<b>-1 625</b>	<b>-1 208</b>	<b>35%</b>	<b>-462</b>	<b>-677</b>	<b>-32%</b>
<i>Costs without BFG/IPS</i>	-1 228	-1 108	11%	-437	-390	12%
Loan loss provisions	-267	-217	23%	-113	-71	60%
Other modification	-50	-	-	-50	-	-
Provision for credit holidays	<b>-1 423</b>	-	-	<b>-1 423</b>	-	-
FX mortg. legal risk provisions	-1 513	-1 573	-4%	-498	-516	-3%
Banking tax on assets	-169	-231	-27%	0	-87	-100%
<b>Net profit</b>	<b>-1 264</b>	<b>-823</b>	<b>-</b>	<b>-1 001</b>	<b>-140</b>	<b>-</b>
<i>Net profit without extraordinary items*</i>	1 832	806	127%	705	637	11%
NIM	4.36%	2.60%	1.76 pp	4.79%	4.48%	0.31 pp
Cost/income reported	<b>41.6%</b>	<b>45.9%</b>	<b>-4.2 pp</b>	32.9%	50.6%	<b>-17.8 pp</b>
Cost/income <i>adjusted</i> (*)	<b>32.6%</b>	<b>43.1%</b>	<b>-10.5 pp</b>	32.4%	30.6%	<b>1.8 pp</b>
Cost of risk	44	36	8 bp	56	35	21 bp
ROE	<b>-28.6%</b>	<b>-12.9%</b>	<b>-</b>			
ROE <i>adjusted</i> (*)	<b>24.6%</b>	<b>12.6%</b>	<b>12.0 pp</b>			



(\*) Extraordinary items: FX-mortgage legal risk provisions, costs of litigations and settlements with clients, credit holidays and with linear distribution of BFG resolution fund fee (without net impact of IPS contribution); in 2021 also material revaluation of financial investments (VISA); ROE: Equity adjusted by FX related costs

# KEY BALANCE SHEET AND BUSINESS ITEMS

PLNm	Sep. 22	Sep. 21	Change Y/Y	Jun. 22	Change Q/Q
Active customers (ths)	2 859	2 664	195	2 805	54
On-line and mobile customers	2 483	2 206	277	2 418	65
Customer funds	104 169	99 820	4%	102 909	1.2%
Deposits	97 771	90 250	8%	96 122	1.7%
Deposits of individuals	66 867	64 965	3%	65 165	2.6%
Loans	78 965	77 280	2%	79 342	-0.5%
FX mortgage loans excl. EB	7 415	9 857	-25%	7 602	-2.5%
Loans without FX mortgages	70 853	66 626	6%	71 063	-0.3%
L/D	80.8%	85.6%	-4.8 pp	82.5%	-1.7 pp
Impaired loan ratio (*)	4.5%	4.7%	-0.2 pp	4.3%	0.2 pp
Coverage ratio	68.6%	67.6%	1.0 pp	68.0%	0.6 pp
CET1 = T1	9.5%	15.1%	-5.6 pp	12.1%	-2.6 pp
TCR	12.4%	18.2%	-5.8 pp	15.2%	-2.8 pp



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

# CREDIT HOLIDAYS

Significant upfront impact booked in 3Q22



The Act of July 7, introduced, among others, a handful of measures aimed at support of PLN mortgage borrowers, including:

- ability to suspend up to 8 monthly instalments (2 instalments in 3Q22 and 4Q22 each and one in each quarter of 2023, only one loan per household, only loans for housing purposes, only loans granted before July 1, 2022),
- enforcement of additional PLN1.4bn sector's contribution to Borrowers Support Fund (FWK),
- replacement of WIBOR as the main benchmark for loans.



Impact on BM's results in 3Q22:

- **PLN1,423mn upfront cost of credit holidays (Group) booked in 3Q22 based on assumed participation rate of 80% of eligible borrowers,**
- maximum cost of credit holidays estimated at PLN1,779mn at the Group level if 100% of eligible borrowers would use such option,
- the cost was booked in separate P&L line while at the same decreasing the gross value of PLN mortgages in the balance sheet,
- **actual participation in 3Q22 averaged 66% (September > August),**
- **the Bank intends to review its assumptions when closing 2022 accounts.**



Other considerations:

- application for/use of credit holidays does not trigger a loan reclassification to Stage 2,
- the Bank believes that the conditions not to pay additional contribution(s) to FWK are met.

# FINANCIAL HIGHLIGHTS OF 1-3Q22

Growing core profitability and efficiency, stable cost of risk

Adjusted net profit\*

**+127% y/y**

NII and NIM strongly up

**+75%; +176bp y/y**

Fees

**-2% y/y**

Adj. ROE

**24.6%**

Adj. cost/income

**32.6%**

Cost of risk

**44bp**



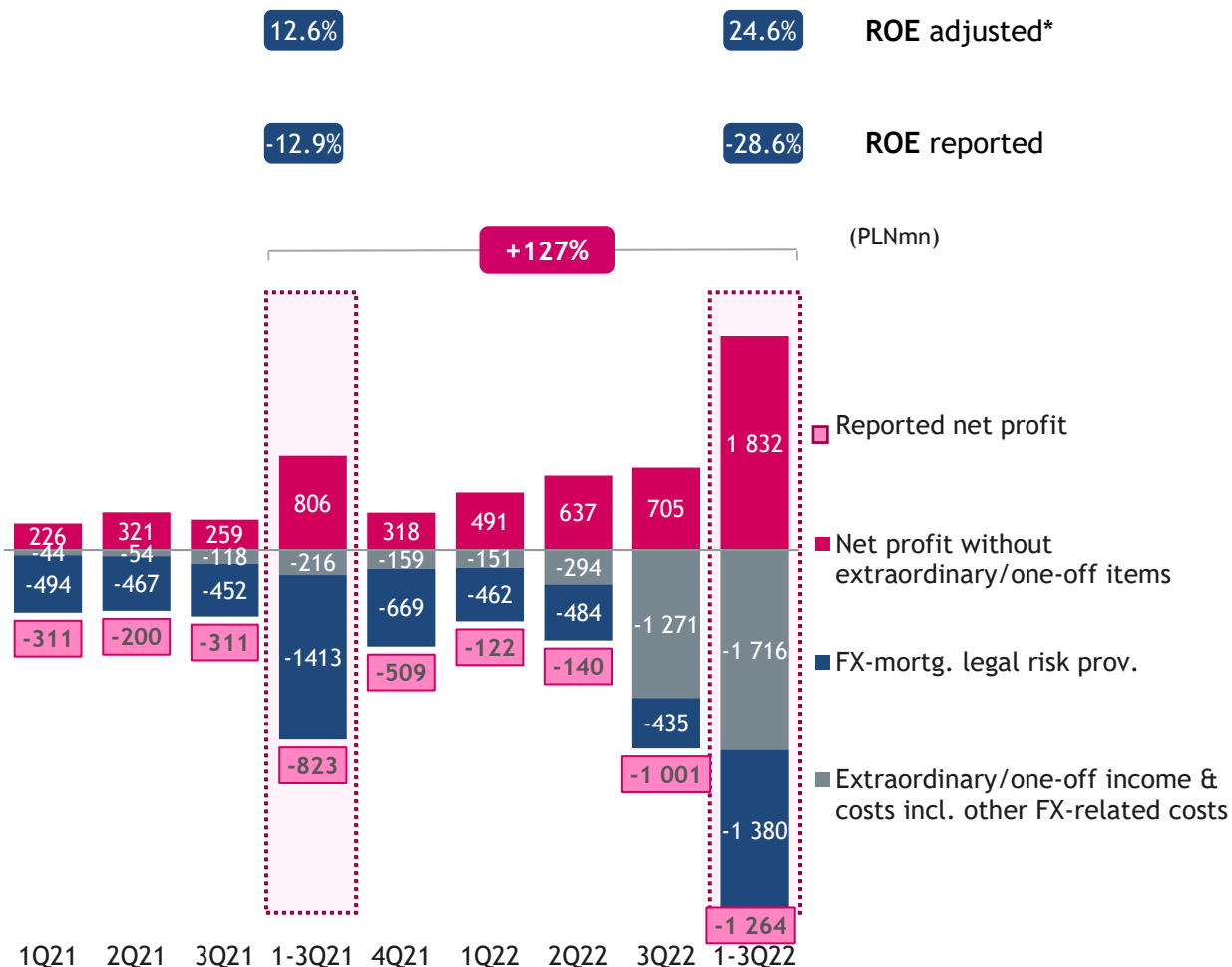
(\*) Extraordinary items: provision for credit holidays, FX-mortgage legal risk provisions, costs of litigations and settlements with clients and with linear distribution of BFG resolution fund fee (without net impact of IPS contribution); in 2021 also material revaluation of financial investments (VISA); ROE: Equity adjusted by FX related costs



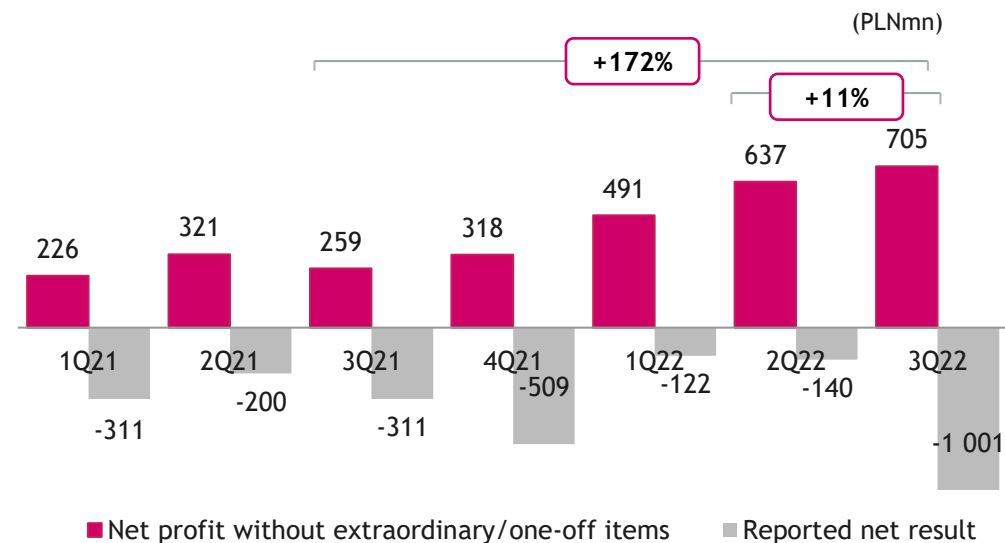
# FINANCIAL HIGHLIGHTS OF 1-3Q22

Gradual improvement of core profitability (excl. FX mortgage and credit holidays): adjusted net income up 127% y/y

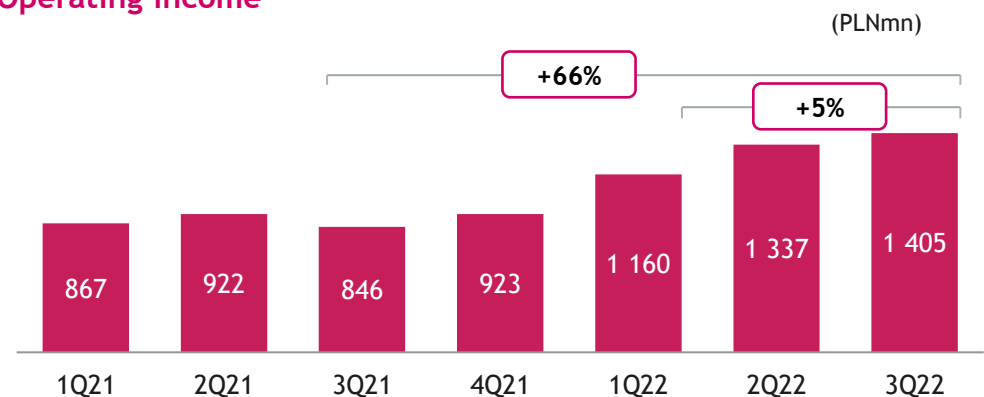
## Net profit



## Net profit w/o extraordinary\* items



## Operating income

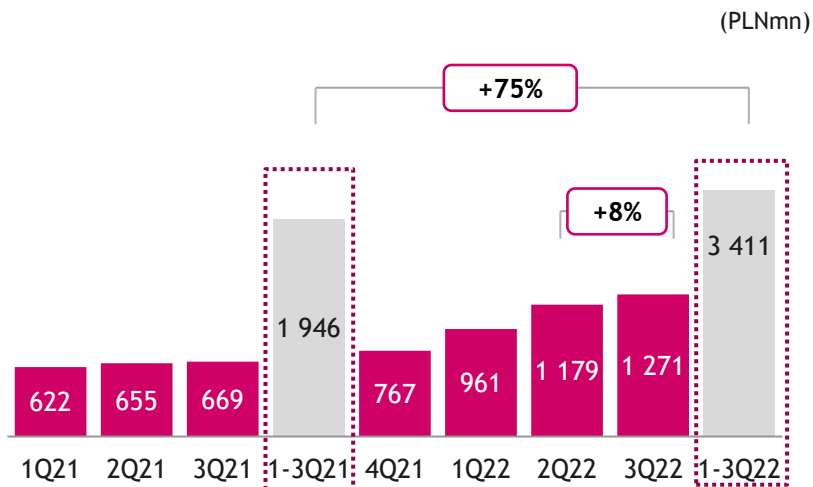


(\*) Extraordinary items: provisions for credit holidays, FX-mortgage legal risk provisions, costs of litigations and settlements with clients with linear distribution of BFG resolution fund fee and without net impact of IPS contribution; in 2021 also material revaluation of financial investments (VISA); ROE: Equity adjusted by FX related costs

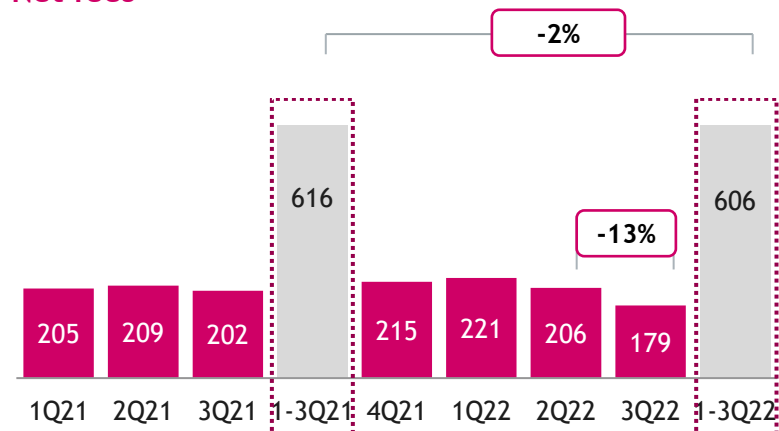
# INTEREST AND COMMISSION INCOME

NII in upward trend in 1-3Q22 with y/y growth of 75%; quarterly NIM widened further to 4.79%

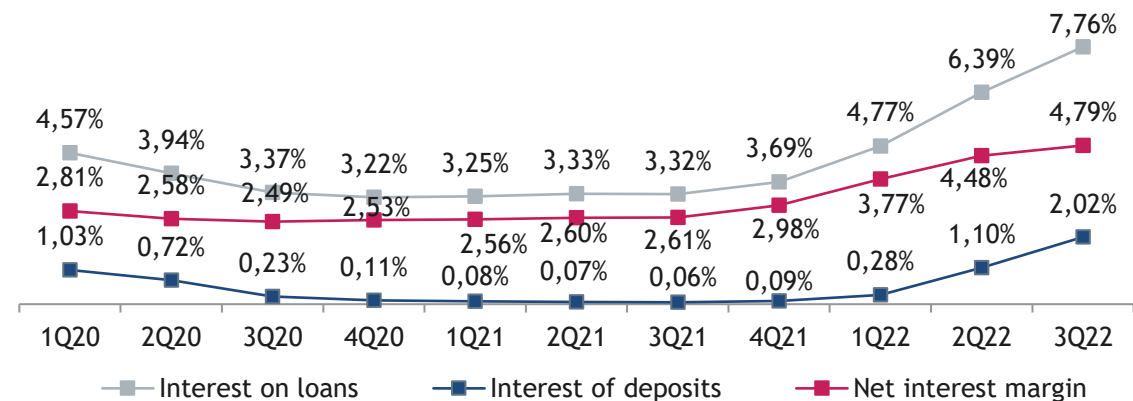
## Net interest income



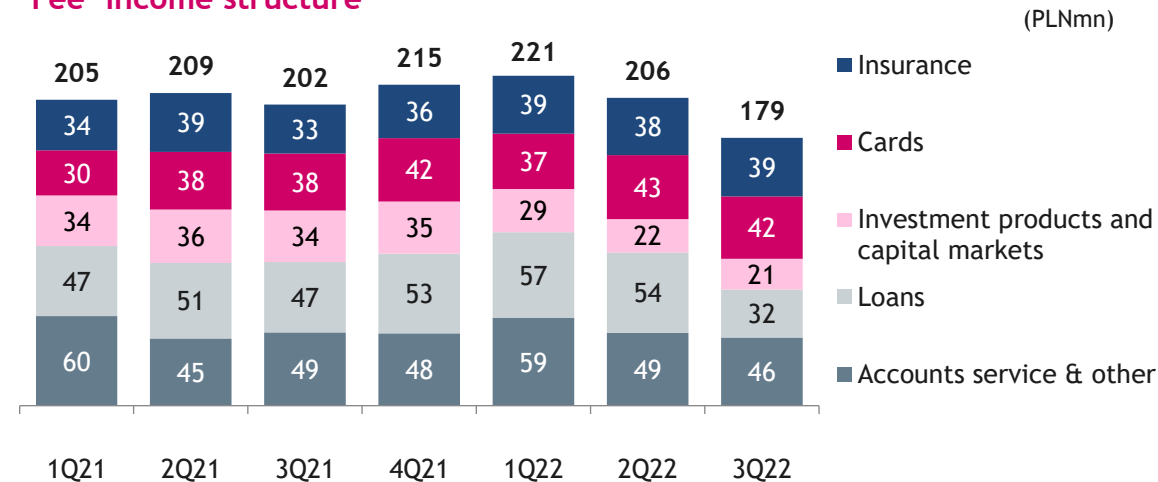
## Net fees



## Interest on loans and deposit (quarterly average)



## Fee income structure

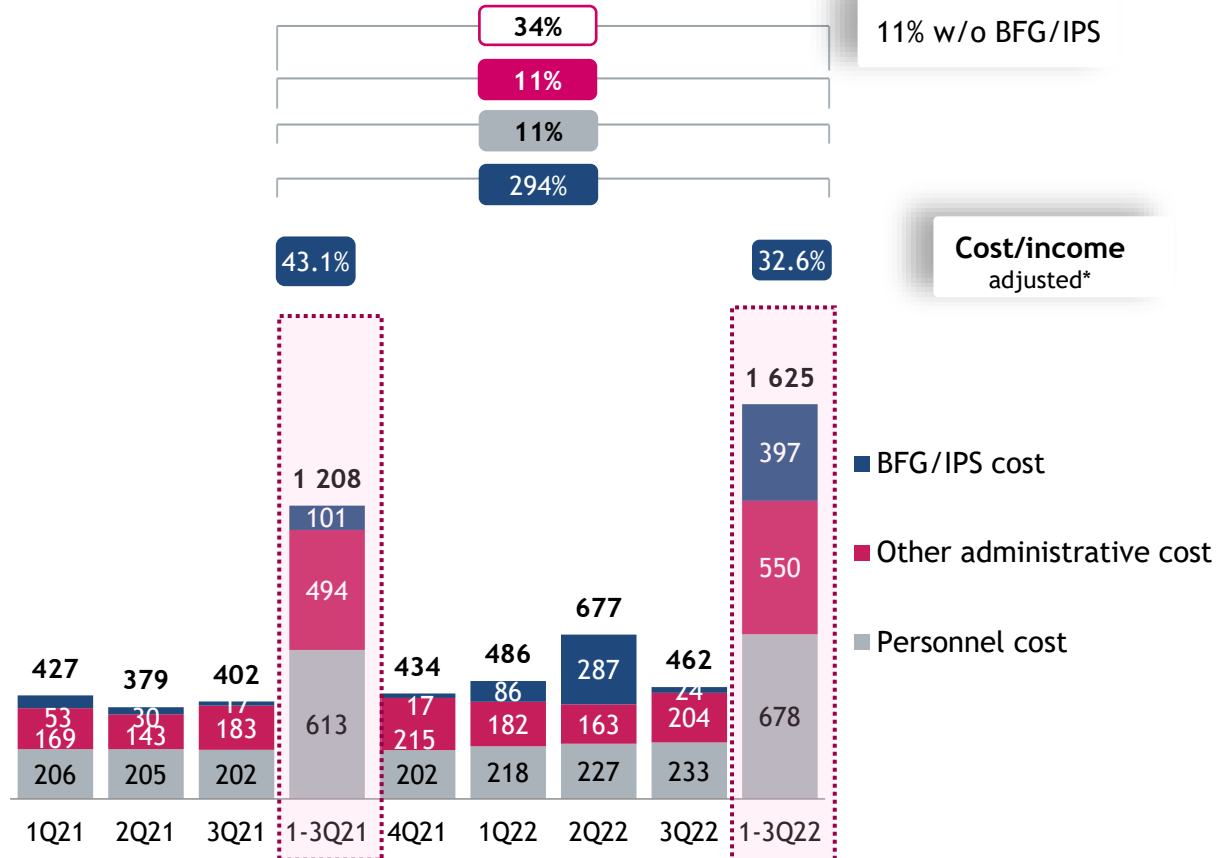


# COST EFFICIENCY

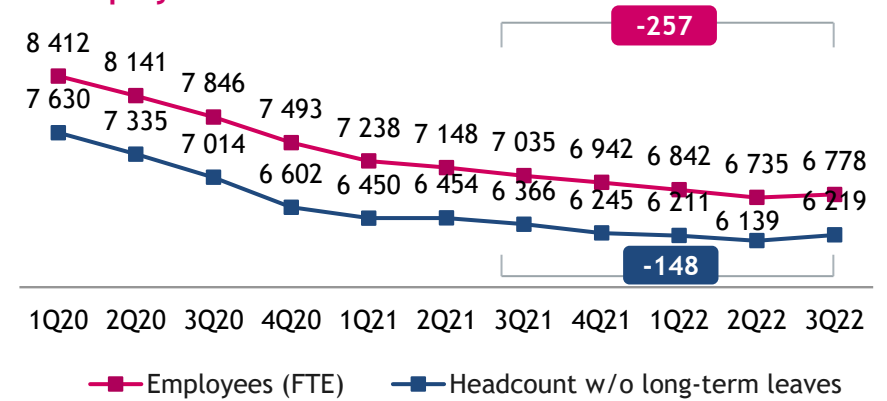
Operating costs without BFG fees and contribution to IPS grew 11% y/y. C/I improved owing to strong core income

## Operating cost

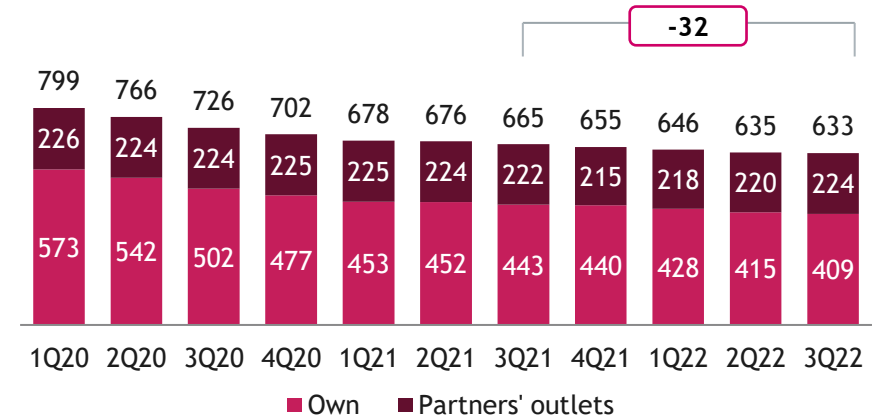
(PLNmnn)



## Employees



## Branches

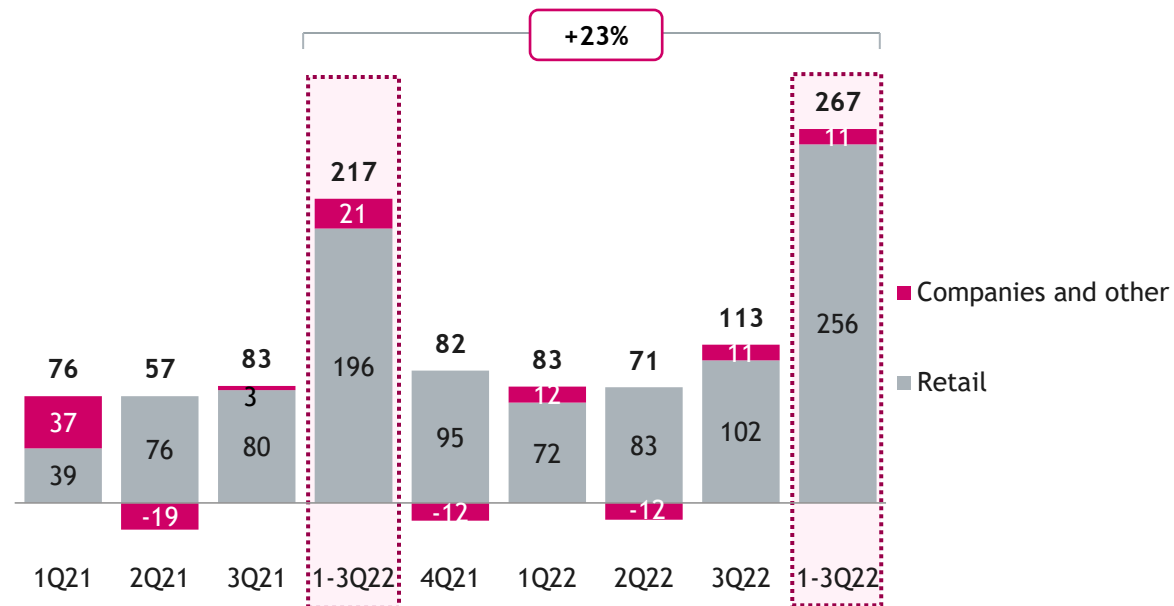
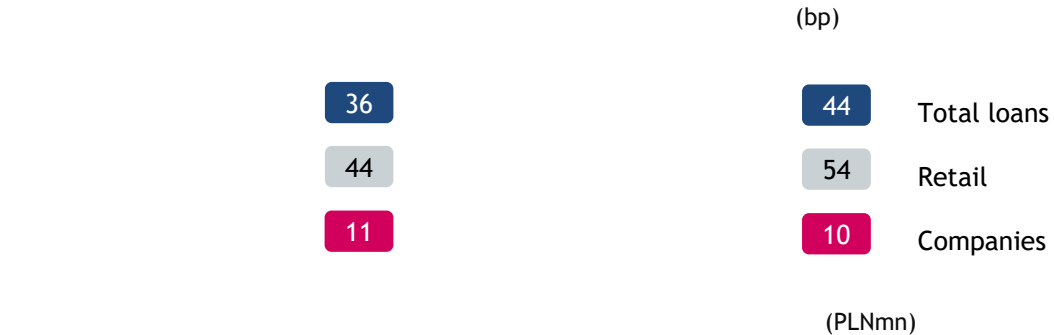


(\*) without one-off income and integration costs as well as costs of litigation and amicable settlements with FX mortgage clients, with linear distribution of BFG resolution fund fee and without impact of the contribution to the Protection Scheme (IPS)

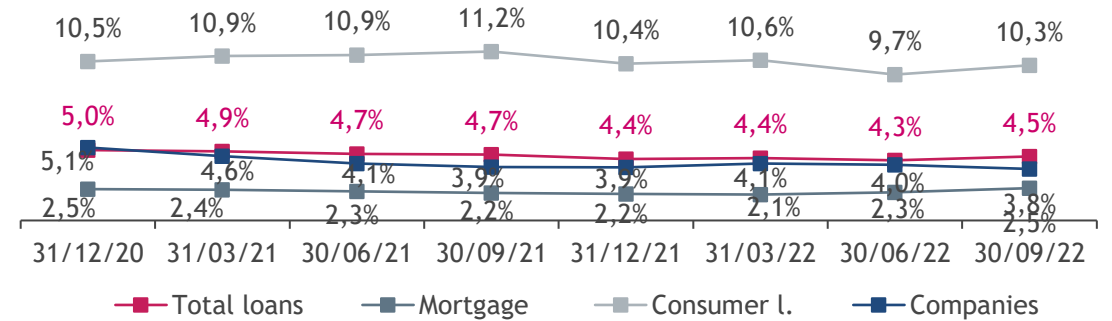
# ASSET QUALITY

Strong credit quality, higher cost of risk in retail

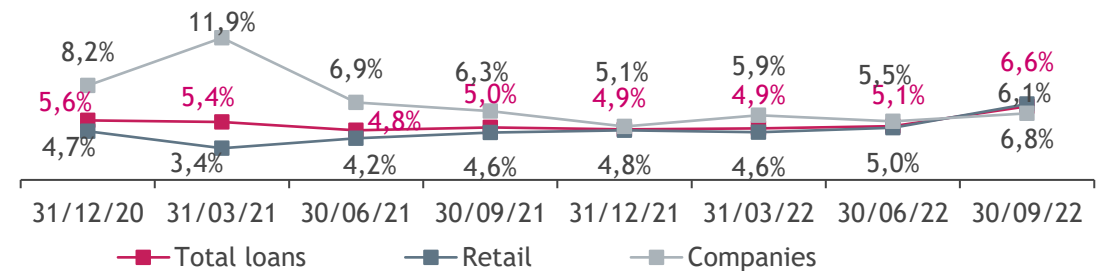
## Cost of risk



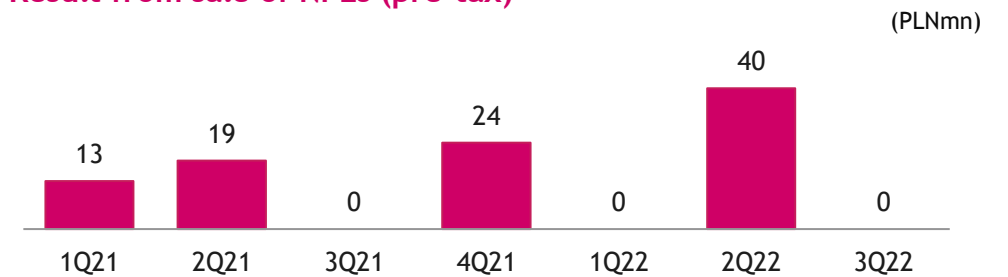
## Impaired loans (IFRS9 stage 3 & POCI)



## Share of stage 2 loans



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

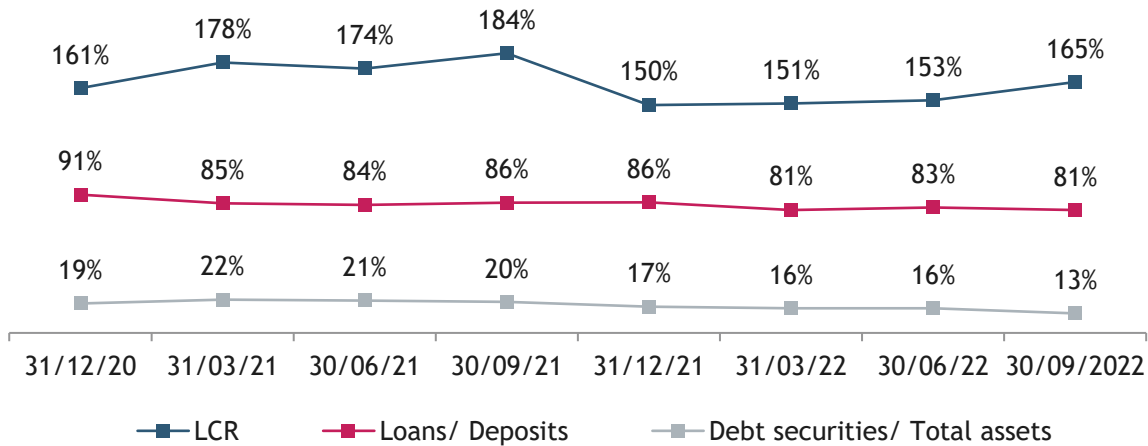




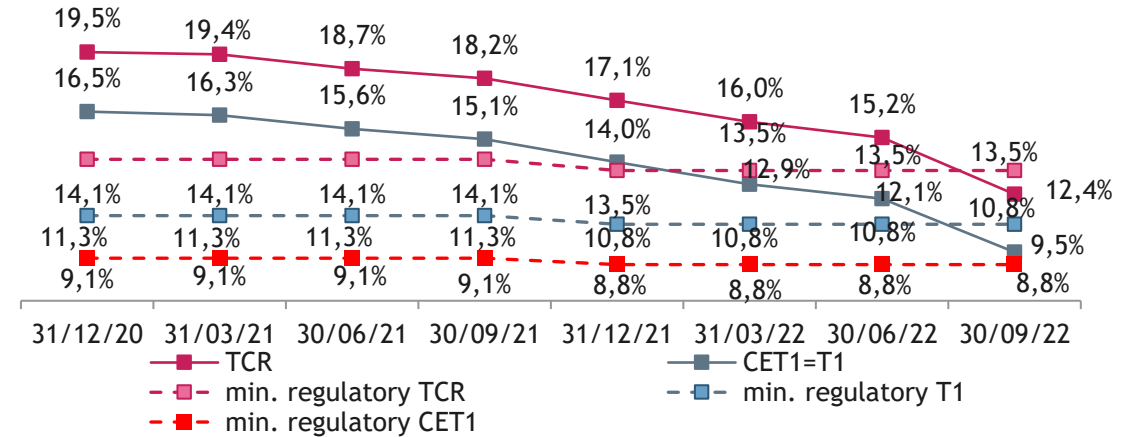
# LIQUIDITY AND CAPITAL

Good liquidity but capital adequacy deteriorated due to provisions for credit holidays (PLN1.4bn) and FX mortgage with TCR and T1 falling below regulatory thresholds (sufficient CET1). Recovery plan launched to rebuild sound capital base.

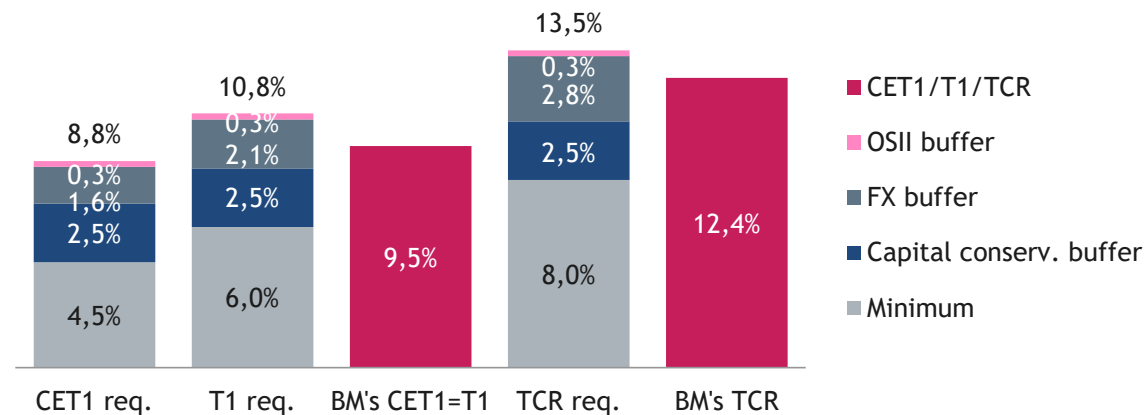
## Liquidity indicators



## Group capital ratios



## Capital requirement vs. actual ratios as on 30 Sept.22 (Group)



# CAPITAL MANAGEMENT

Capital ratios expected to be temporarily below minimum requirements due to the impact of upfront booking of credit holidays, but the recovery is expected in a relatively short term



Upfront recognition of costs of credit holidays resulted in a negative net result for 3Q22. Without the impact of credit holidays, the Bank / Group would report a positive net result in the period.



As a result, TCR and T1 ratios dropped below the current minimum requirements set by the Polish Financial Supervision Authority ('PFSA'). At the end of September'22 Group TCR/T1 ratios were 118bp/139bp below their respective minimum levels required.



Risk of a breach of respective capital ratios triggered the decision to launch the recovery plan. Actual breach of the ratios triggered a submission of Capital Protection Plan.



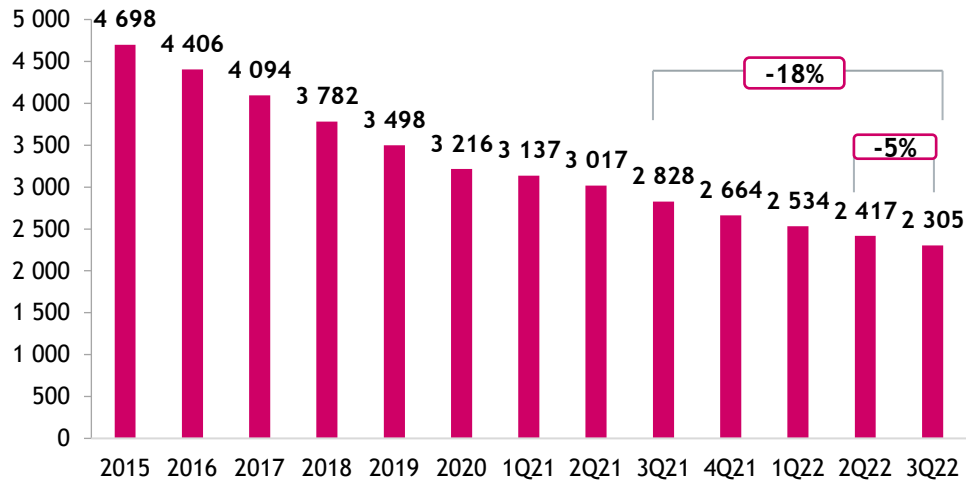
The Management Board of the Bank intends to increase capital ratios comfortably above the minimum required levels through a combination of further improvement of operational profitability and capital optimisation initiatives such as management of risk weighted assets (including securitisations). While in the recovery procedure, the Bank will not pay banking tax (PLN80mn+ per quarter).

# FX-MORTGAGE PORTFOLIO (1/2)

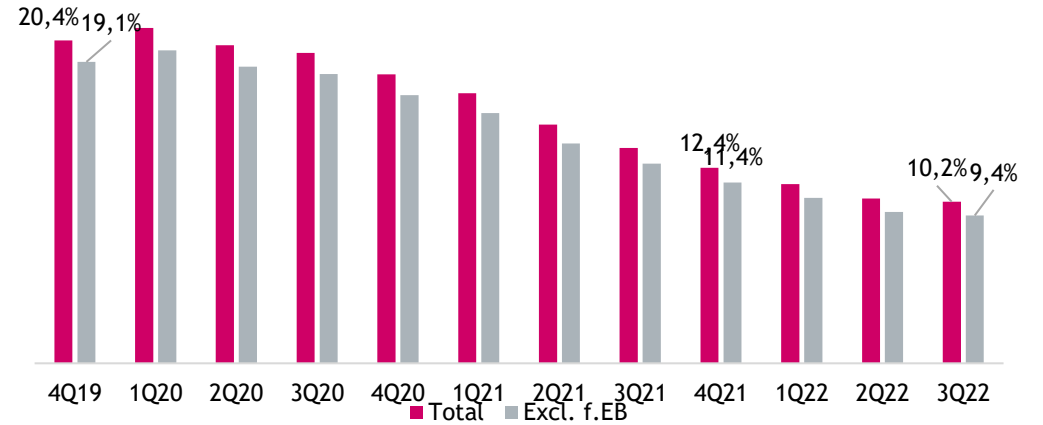
Maintained fast pace of FX-mortgage portfolio's downsizing

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

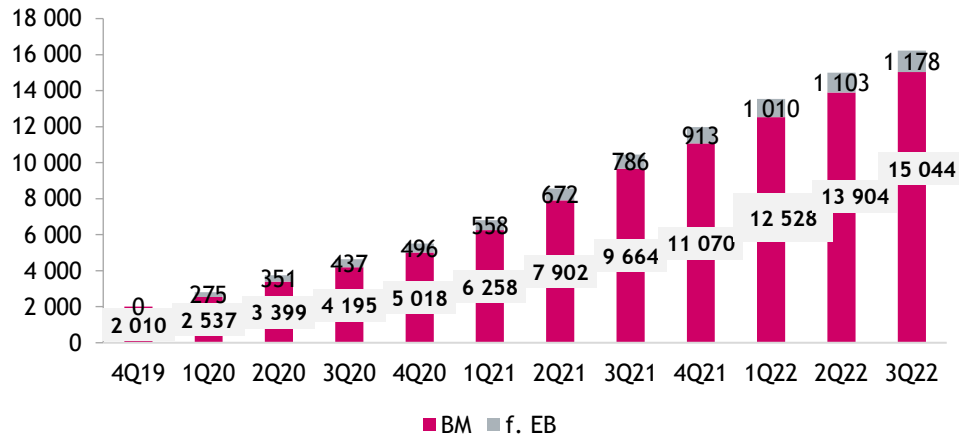
(CHFmn)



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

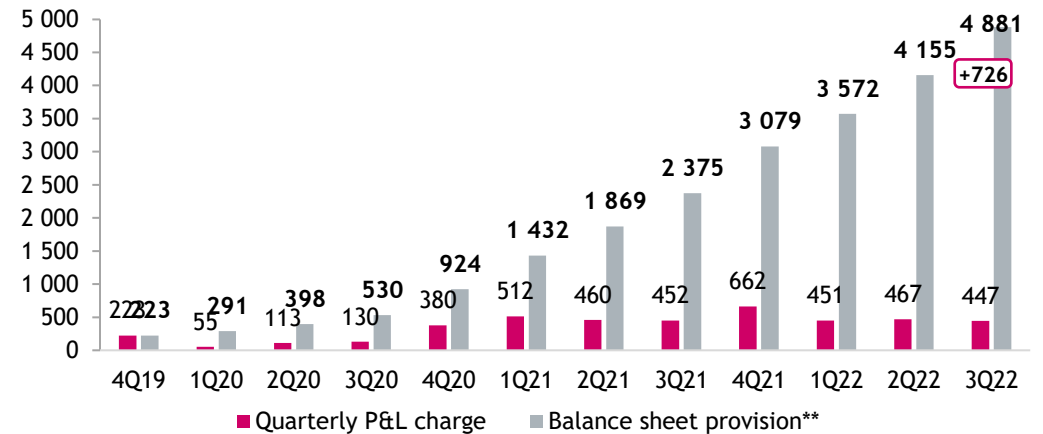


Individual indexation lawsuit cases



Provisions against legal risk\*

(PLNmn)

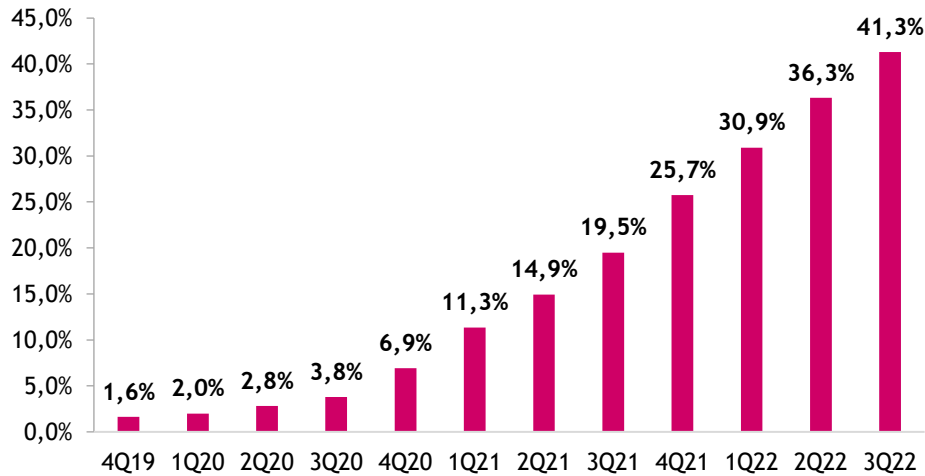


(\*) Excluding f.EB, (\*\*) actual outstanding B/S provisions differ from the sum of P&L charges due to FX movements and utilisations among others

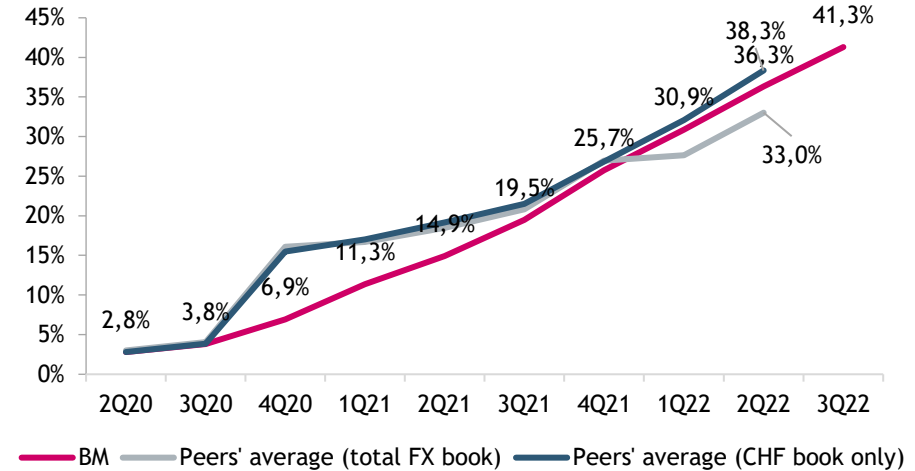
# FX-MORTGAGE PORTFOLIO (2/2)

Number of amicable settlements remained well above the number of new legal cases

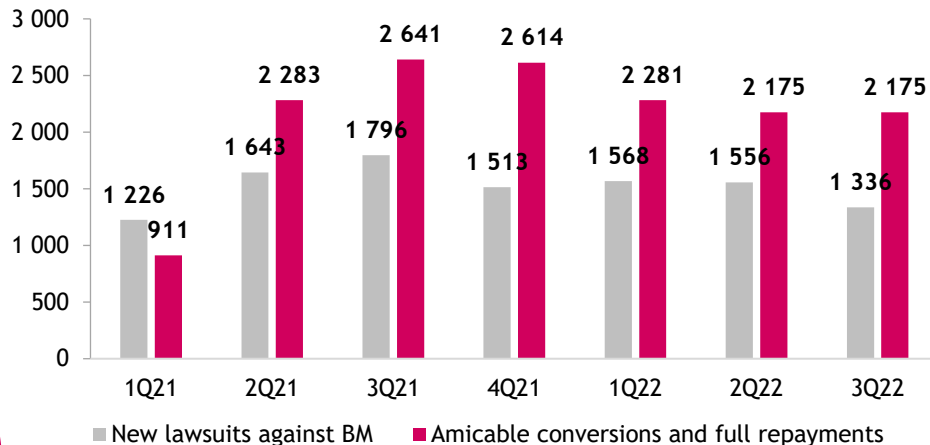
Provisions against legal risk as % of FX-mortgage book\*



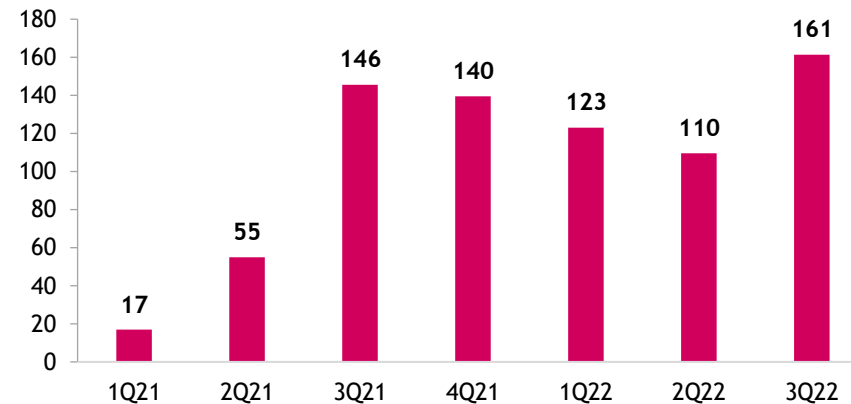
Legal risk provisions/outstanding FX-mortgage book\*\* (% of gross loans)



New lawsuits vs. amicable settlements (#)



Costs of amicable settlements (PLNmn, pre-tax)



(\*) Excluding f.EB, (\*\*) peers average with provisions for settlements





02



## PRESENTATION OF 3Q22/1-3Q22 RESULTS

Business development

# BUSINESS HIGHLIGHTS OF 1-3Q22

Decent dynamics of business volumes despite deceleration in retail business, corporate one showing gradual improvement

PLN loans

**+6% y/y**

PLN mortgage loans

**+10% y/y**

Companies' portfolio

**+7% y/y**

Debit cards

**+214k y/y**

Active digital customers

**2.5mn**

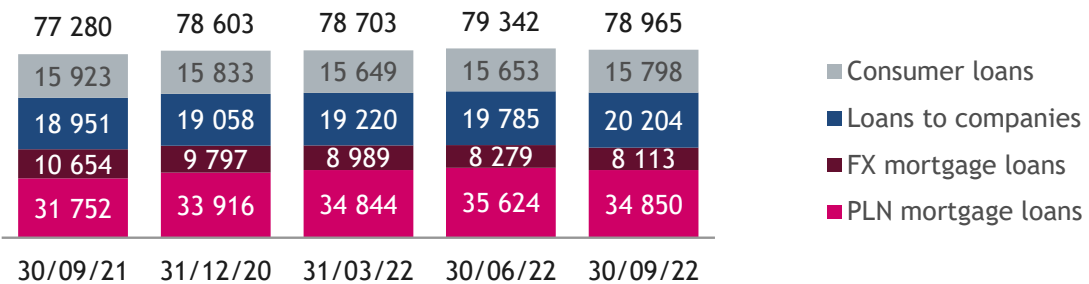
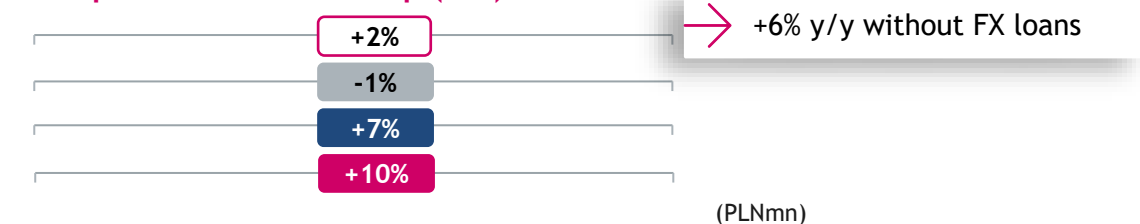
Customer deposits

**+8% y/y**

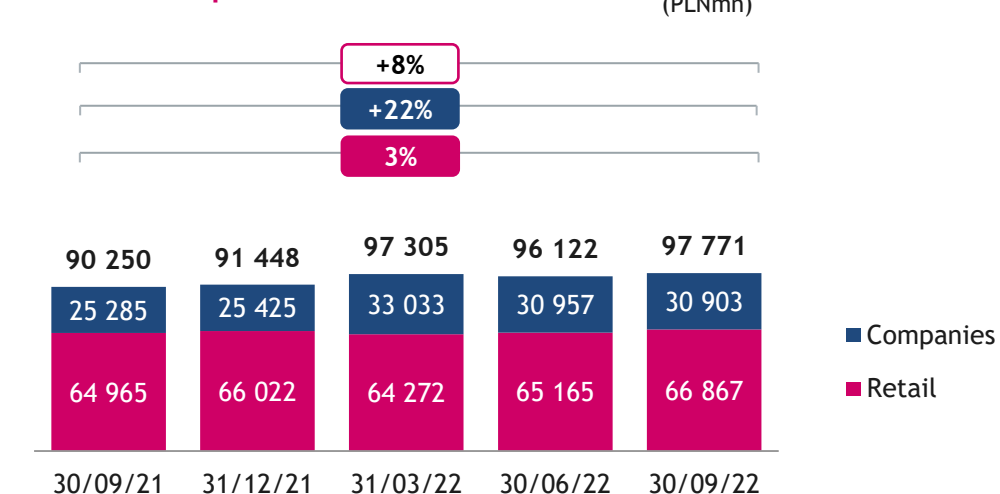
# LOANS AND CUSTOMER FUNDS

Deceleration in retail but good trend in companies' volumes

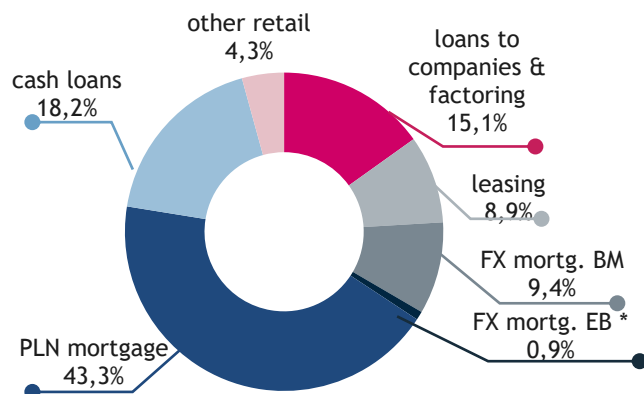
## Loan portfolio of the Group (net)



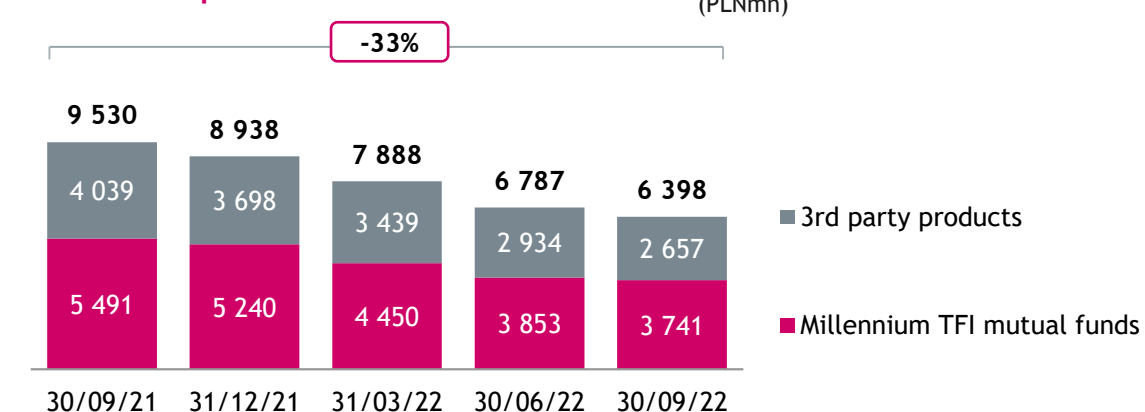
## Customer deposits



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



## Investment products

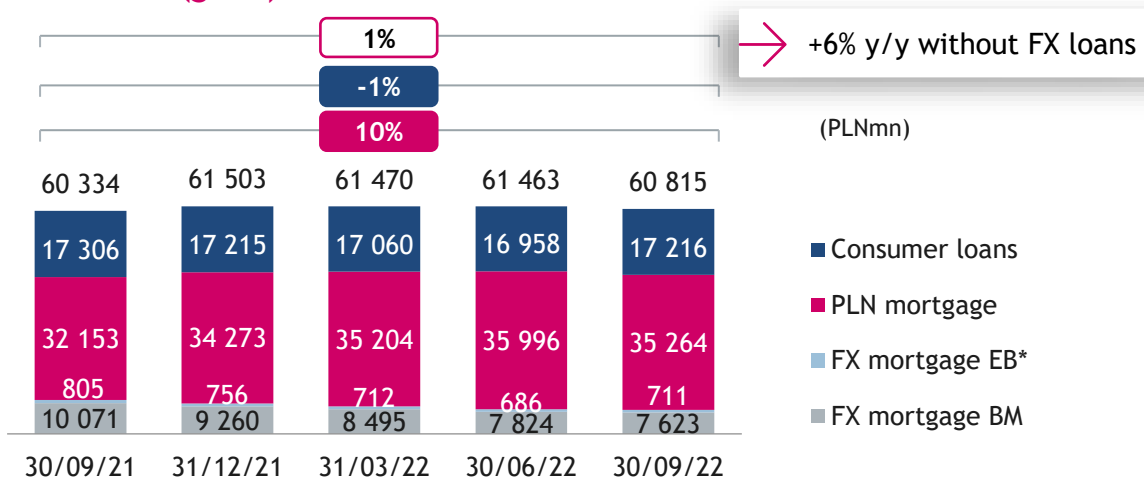


(\*) Covered by SocGen guarantee and indemnity  
 (\*\*) Net of legal risk provisions

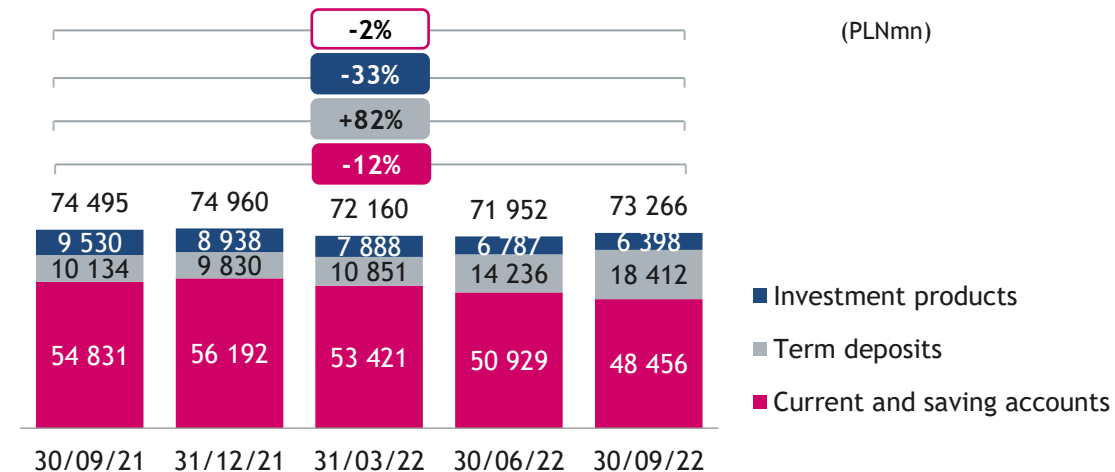
# RETAIL BUSINESS - LOANS AND CUSTOMER FUNDS

Cash loans' origination still robust but mortgages decelerate visibly. Deposits grew 3% q/q.

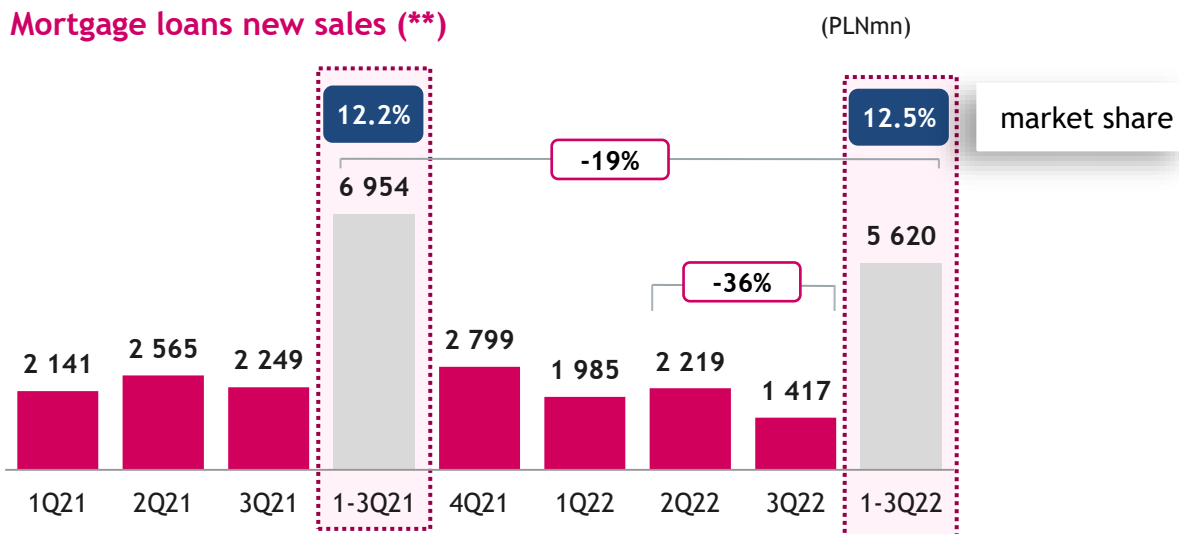
## Retail loans (gross)



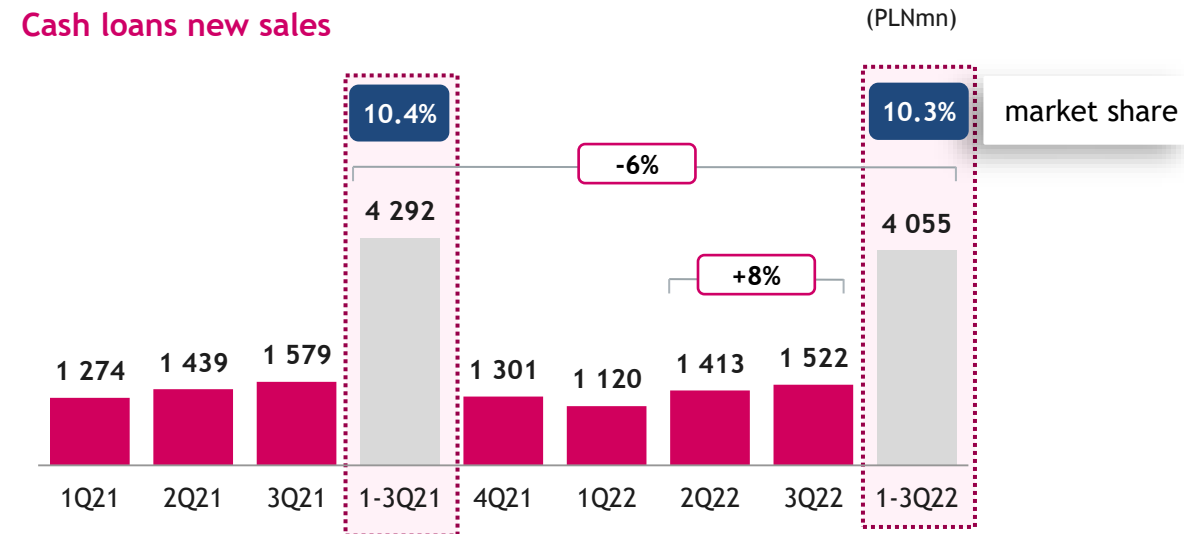
## Retail customer funds



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



## Cash loans new sales

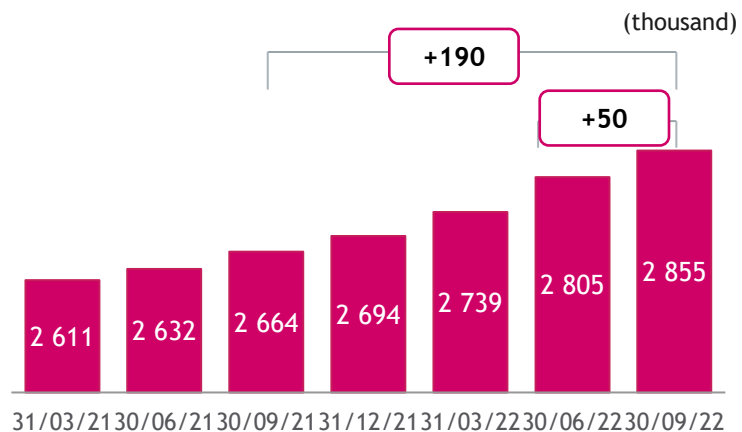




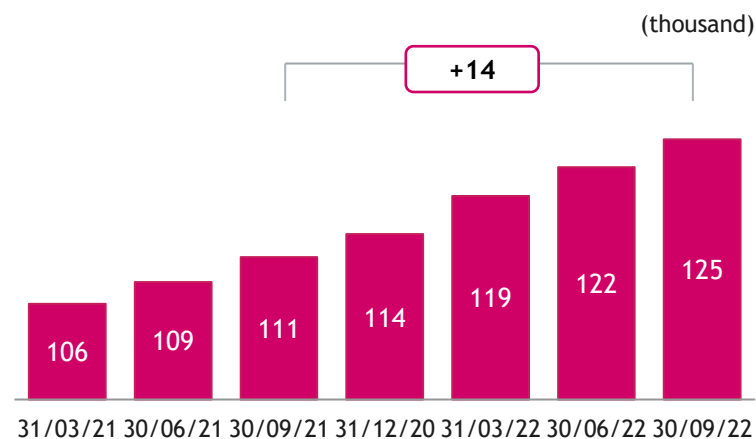
# RETAIL BANKING - NUMBER OF CUSTOMERS AND ACCOUNTS

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

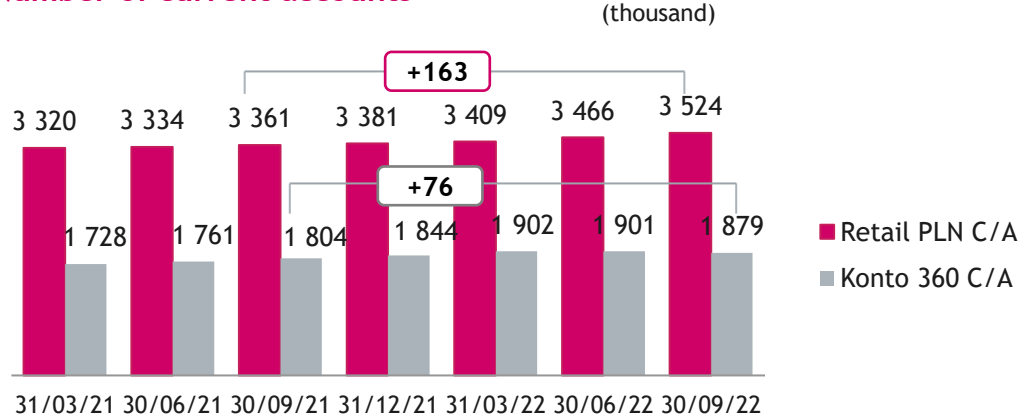
Active retail clients



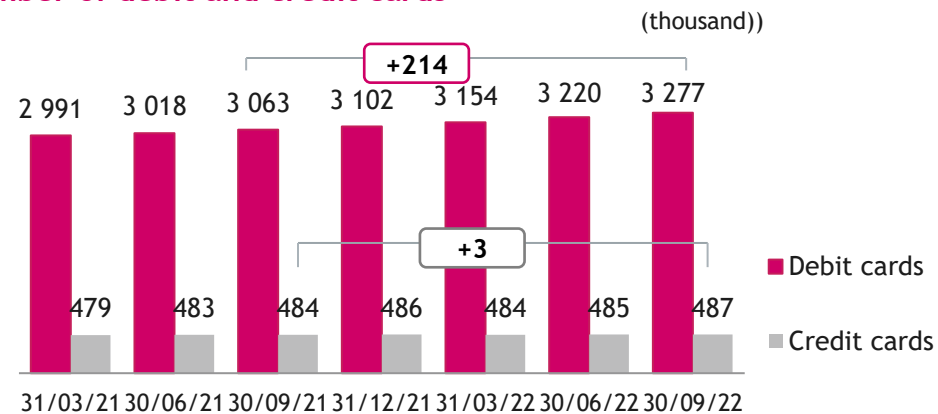
Active micro-business clients



Number of current accounts



Number of debit and credit cards



# CLIENTS ACTIVE ONLINE

Steady growth in the number of users of digital channels with the dominant role of mobile banking



**2.5 million**

Active digital users (+13% y/y)

Over the past five years, the number of customers active in electronic channels **has doubled.**



**2.2 million**

Active mobile users\* (+18% y/y)

**186 million**

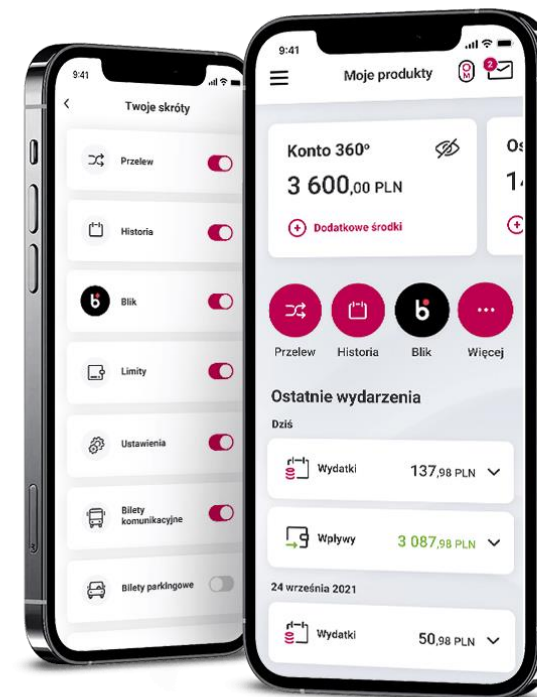
Logins to mobile app in Q3 2022

**87%**

Share of customers active in digital channels who log into the bank on mobile devices



Already more than **2 million customers per month** log in to the mobile app! And since the launch of the app, we have recorded a total of **2.3 billion logins!**



\* Active digital clients using the mobile app and the mobile version of Millenet.

# ONLINE SALES

Digital channels share in acquisition and sales is growing

**81%**

Digital share in cash loan sales in 3Q22. This proportion has been growing steadily for several quarters now!

**94%**

Digital share in sales of term deposits in 3Q22

**35%**

Digital share in acquisition of current accounts

**Record-breaking increase in number of current accounts opened online - of as much as 71%!**

## CONTACTLESS PAYMENTS BY PHONE



Among the bank's customers, interest in cardless contactless payments is also huge. Bank Millennium provides customers with three technologies to do so: HCE, Apple Pay, and BLIK contactless. Since the beginning of the year, customers have made almost 124 million such transactions with a total value of more than PLN 5.6 billion.



## E-COMMERCE AND CASHBACK TRANSACTIONS

We support our customers in online shopping by offering them several payment method such as convenient BLIK code, pay-by-link and card payments (also in foreign online stores with currency limit and package). At the same time we make smart-shopping easier by our **cashback programme with Millennium Goodie**. There are more and more clients with at least 1 cashback transaction for online shopping. Each active user makes as much as 10 transaction per day. The majority of clients using the service have Millennium 360° account.

# BLIK PAYMENTS

We support innovations and note record-breaking results in transactions



**1.5 million**

BLIK users in 2022 so far  
(+30% y/y)

**12.5 million**

Number of contactless BLIK transactions since the launch of the service in July 2021

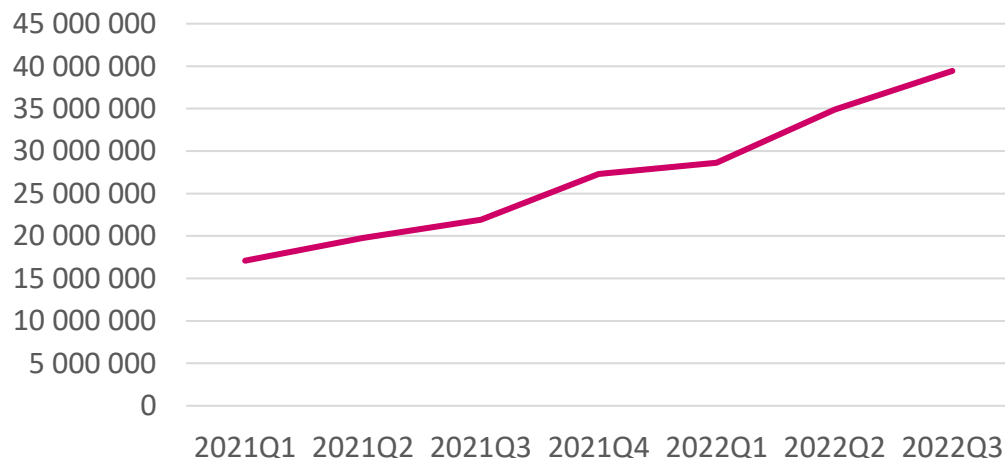
**+85%**

In number of BLIK P2P transfers to mobile vs. 3Q21

**+49%**

In number of BLIK users registered in Blikomania this year vs. 2021 edition

BLIK code transactions from 2021



We are the first bank to start testing **BLIK Pay Later** - the new BNPL solution with Polski Standard Płatności.

# MORE THAN BANKING

We go beyond banking standards in mobile app and Millenet

## MOBILE AUTHORIZATION

September marked two years since the implementation of mobile authorization in branches. From the start of the service until today, customers confirmed about **10 million operations** at branches this way.

This has saved at least **100,000 reams of paper**. **That's about 250 tons of paper, which is as much as 4,500 trees saved!**



## BENEFIT APPLICATIONS ON THE PHONE

On 1 July, we made Good Start 300+ applications available via mobile app. In the app and Millenet, customers have submitted **over 226,000 applications this year**.



Our clients can apply also for other benefits in the app.



**We were the first bank in the market to make all forms available in the app**, and 500+ as well as 300+ forms are available in Ukrainian.

Our customers can also apply for statutory credit vacations using an intuitive form in Millenet.

## OPEN BANKING

We are constantly developing our open banking services.

We have expanded the FinanCe 360° service (account aggregation) to include the option to display recent transfer recipients **based on a specially designed algorithm**.

We are also using open banking in **campaigns, built on the history of aggregated accounts**, to personalize the offer as accurately as possible.

# DIGITAL CHANNELS FOR BUSINESS

We design end-to-end solutions for clients with their own business and corporate clients



***Global Finance magazine found that Bank Millennium has the best integrated corporate bank site in Central and Eastern Europe.***

## LEASE FORMS

Business customers with leasing credit can easily manage their leases via online banking. We are gradually implementing more forms available electronically. Already 30% of leasing applications are submitted online.

## MILLENNIUM POS

Together with PayTel, we have provided an app that allows business clients to use their phone like a payment terminal and accept contactless payments wherever they are.



## INSPIRATION ZONE

In Millenet for Companies, customers benefit from a special section where we publish expert materials, such as on raising funds or good business practices.

## TOKENS EXCHANGE

1,000 corporate banking clients were able to exchange their old hardware tokens for modern tokens based on cronto technology, free of charge. This allows them to log in to the bank and approve operations more conveniently and quickly.



# GOODIE - SMARTSHOPING PLATFORM OF BANK MILLENNIUM

Development and promotions for cashback users



**Since 2018: 3mn**  
app downloads

**PLN1.5bn**  
generated cashback turnover

**PLN33mn**  
amount of cashback

**11mn**  
cashback transaction number

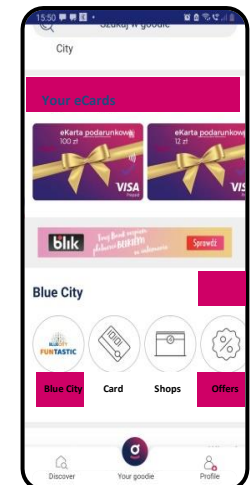
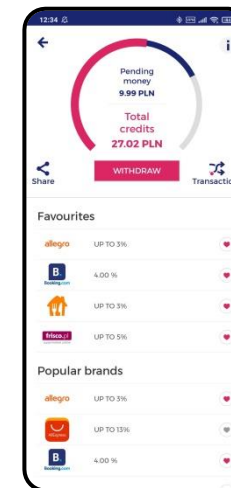
**3Q22: 111,000**  
app downloads

**PLN200mn**  
generated cashback turnover

**PLN3.7mn**  
amount of cashback

**1.3mn**  
cashback transactions

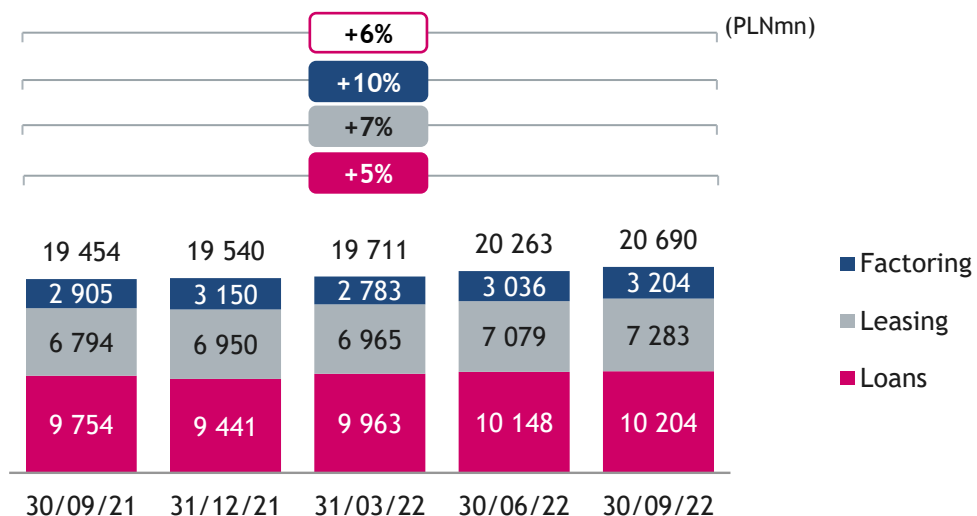
**40% increase**  
in the number of gift cards sold y/y



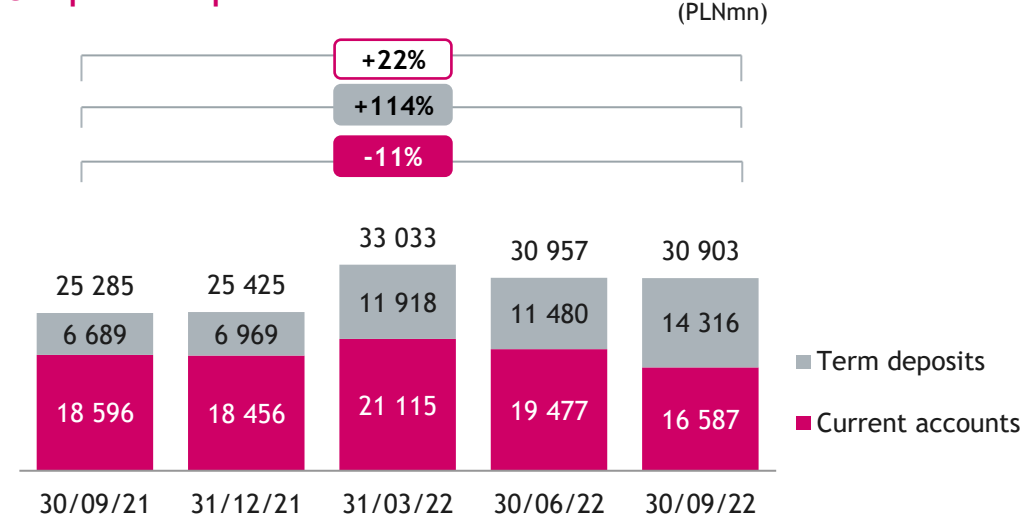
# COMPANIES BUSINESS - DEPOSITS AND LOANS

Growth of corporate exposures despite strong RWA focus; strong y/y growth of deposits

## Loans to companies (gross)



## Companies deposits

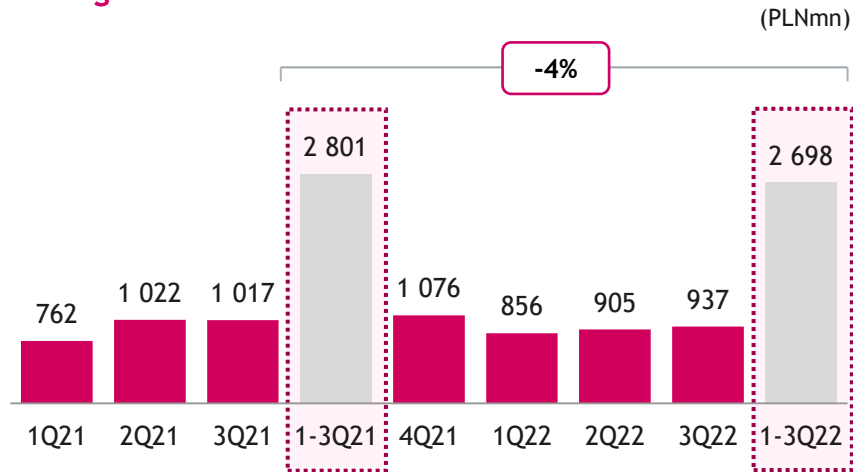


- **Loan portfolio** grew +6% y/y and 2% q/q despite selective approach and focus on RWA optimisation
- Strong y/y growth of companies' **deposits (+22% y/y)**
- Gradual improvement **in transaction activity**. The increase in 1-3Q22 of **domestic transfers +3%** and **FX transactions +19%** vs. 1-3Q21
- New BGK crisis guarantees for medium and large companies were introduced in July and preferential terms for de minimis were extended
- In 3Q22 the share of FX flow through Millennium Forex Trader platform was 72%

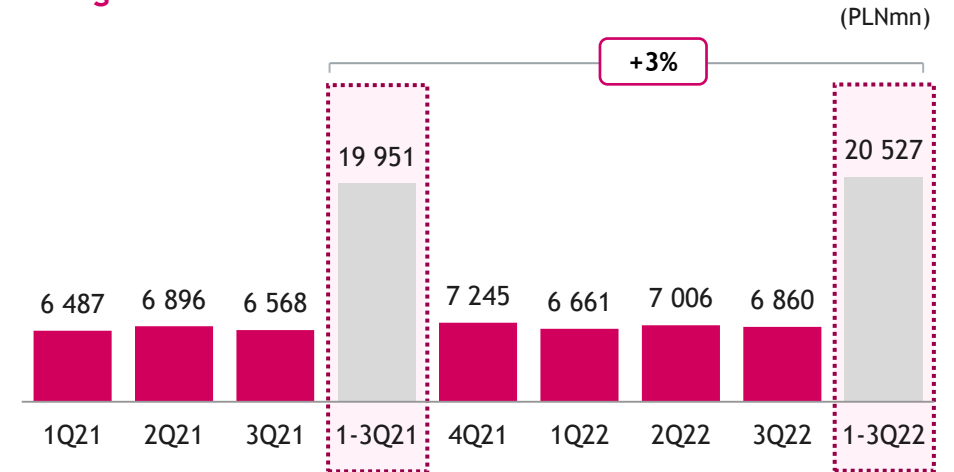
# COMPANIES BUSINESS - LOANS AND TRANSACTIONS

Slow deceleration of growth in leasing and factoring; steady growth of transactions

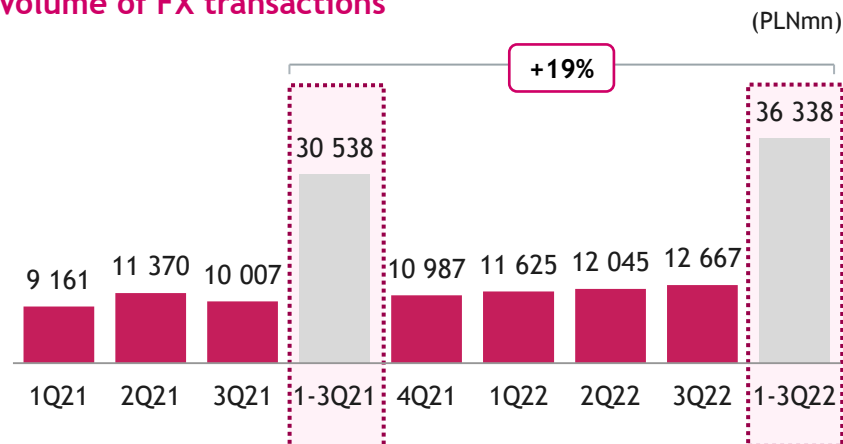
Leasing - new sales



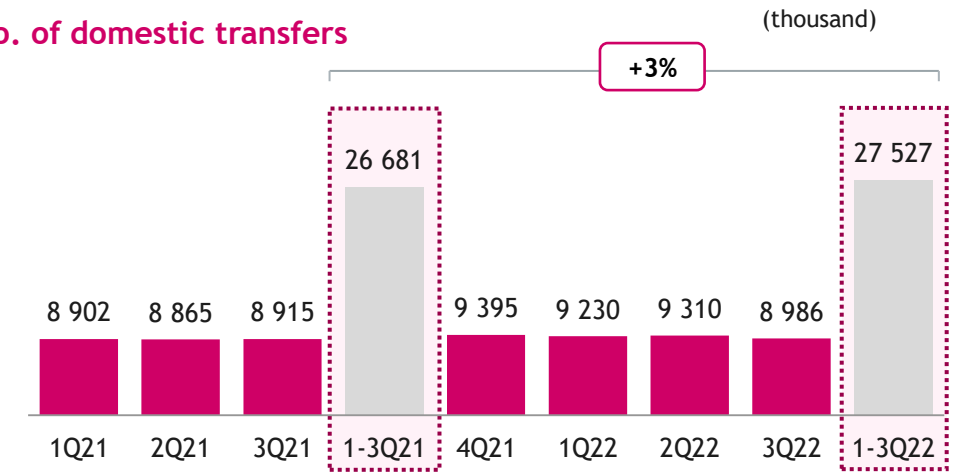
Factoring - turnover



Volume of FX transactions



No. of domestic transfers



# WHAT'S NEW AND IMPROVEMENTS FOR CORPORATE BANKING CLIENTS

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## WE HAVE CHANGED AND EXPANDED THE PRODUCT OFFER:

- we have made available a new BGK "crisis guarantees" programme, which replaced the liquidity guarantees available until 30 June 2022. Guarantees make it possible to secure loans, reverse factoring and leasing,
- thanks to the Bank's cooperation with the EIB Group, we have introduced a new loan product for companies from the SME sector; transactions of companies qualified for the program, will receive more favorable financing conditions in the form of lower margins,
- in connection with the entry into force of the so-called "new developer act", we have implemented Housing Escrow Accounts in a new version,
- Millesun leasing program dedicated to financing investments in photovoltaics has been extended to include financing heat pumps.







03

# PRESENTATION OF 3Q22/1-3Q22 RESULTS

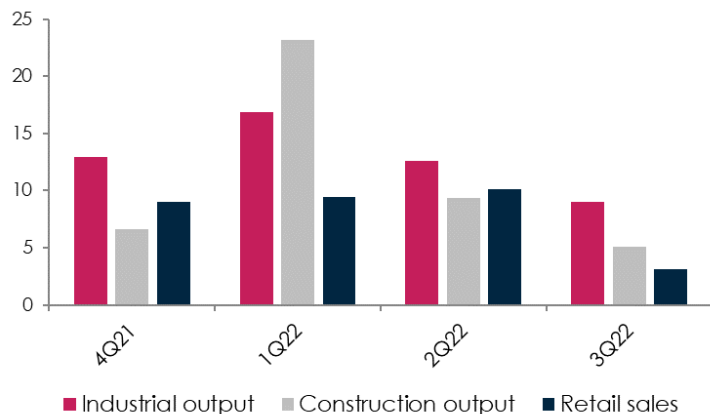
Appendices

# MACROECONOMIC OVERVIEW

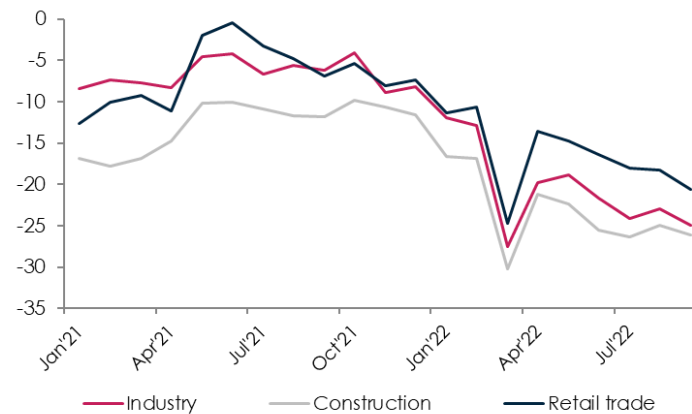
## Economy

Data on real economy

(% y/y)



Indicators of expected economic situation (pts)



↘ In 3Q22, according to the Bank's estimates, GDP growth in Poland slowed down while the CPI inflation continued to intensify. Expectations for global economic activity, including Poland, have deteriorated due to persistent inflation and monetary policy tightening. In the Bank's baseline scenario, GDP growth will slow down from 6.8% in 2021 to 4.1% in 2022 and only to 1.0% in 2023, accompanied by continued high inflation and interest rates as well as a slight increase in unemployment. These expectations are subject to high uncertainty regarding mainly geopolitical factors as well as prices and availability of energy resources.

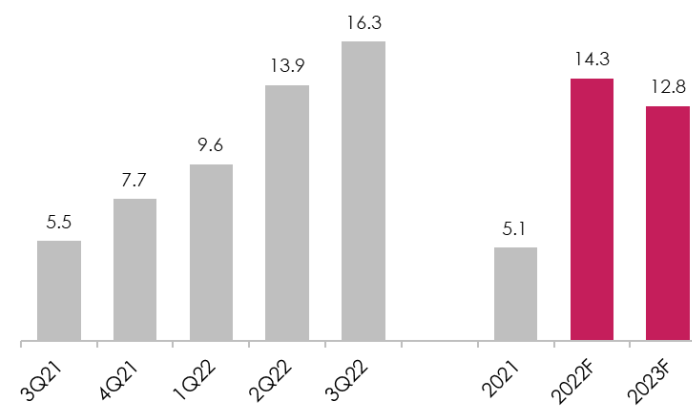
GDP growth rate

(% y/y)



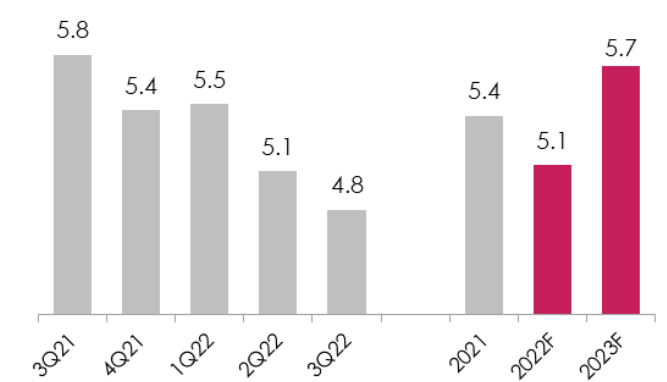
CPI inflation

(% y/y)



Registered unemployment rate

(%)



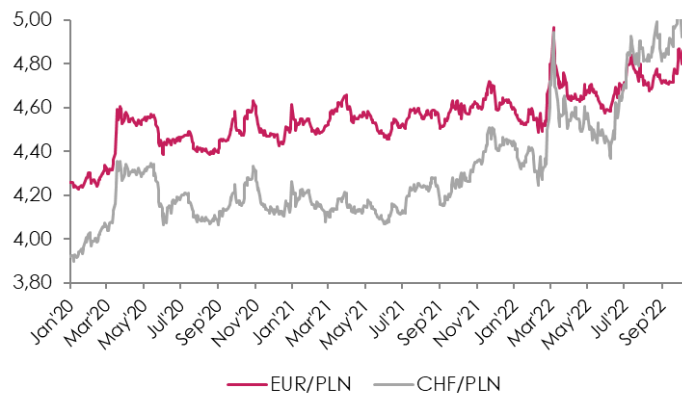
Source: GUS, Macrobond, Bank Millennium, E - estimate, F - forecast



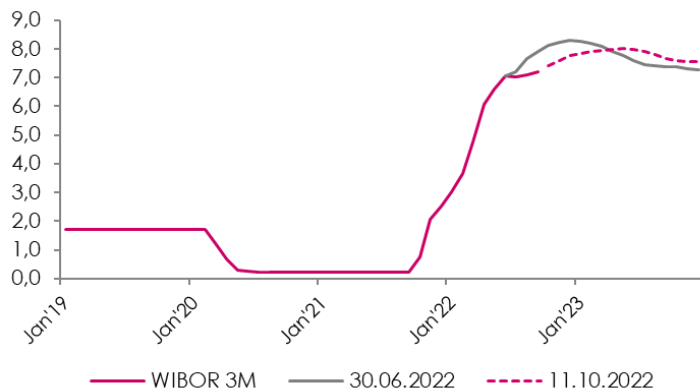
# MACROECONOMIC OVERVIEW

## Financial markets

Evolution of FX rates

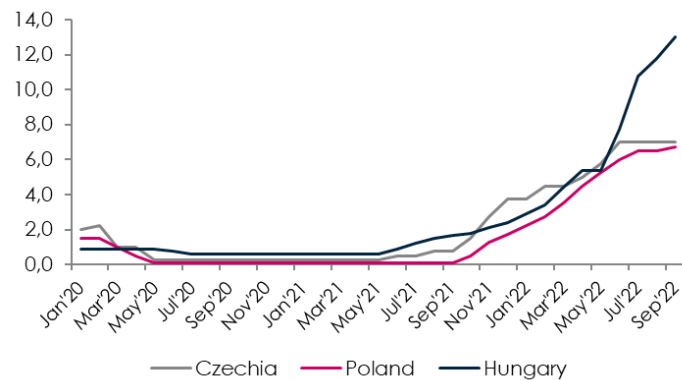


WIBOR 3M and market expectations (%)

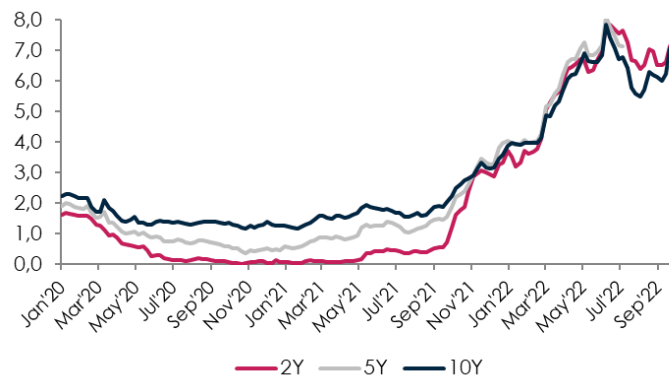


Monetary Policy Council continued monetary tightening in 3Q22 and in Oct'22 „wait-and-see” approach has been adopted. Even as the MPC rhetoric turned more dovish the overall domestic fiscal and economical situation exerts negative pressure on T-bonds. Given growing negative real interest rates levels and global risk aversion also the Zloty depreciated further in recent months.

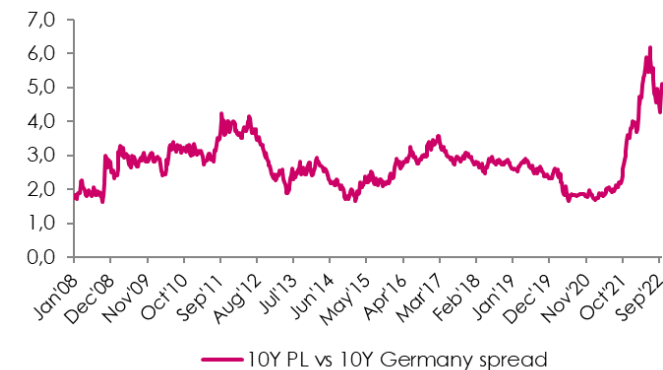
Official interest rates in CEE-3 countries (%)



Polish T-bonds yields (%)



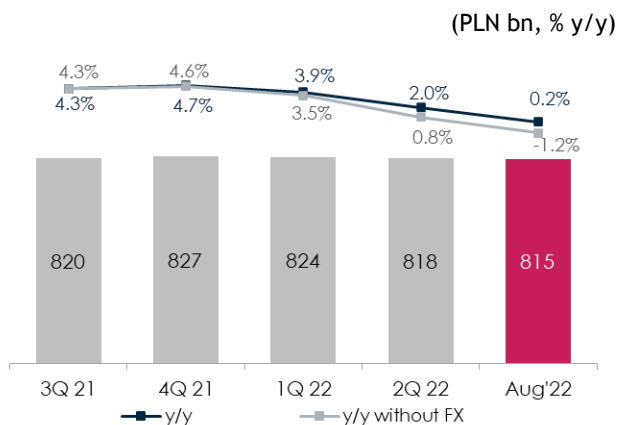
Spread of Polish 10Y bond to 10Y German benchmark (%)



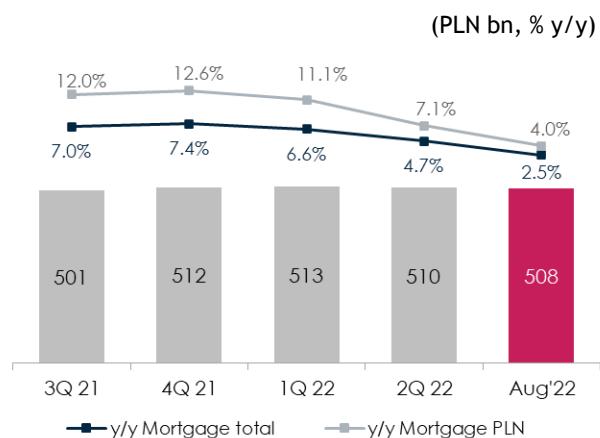
# MACROECONOMIC OVERVIEW

## Monetary aggregates

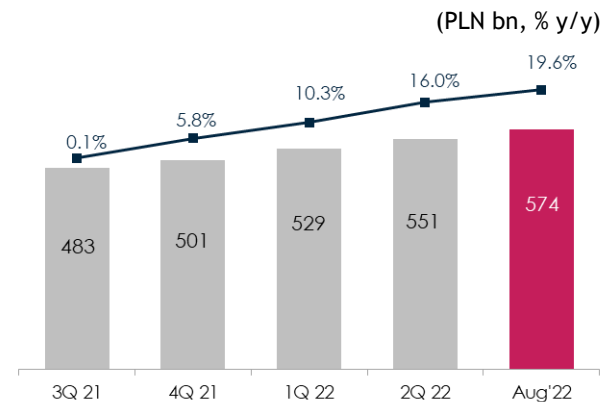
### Loans to households



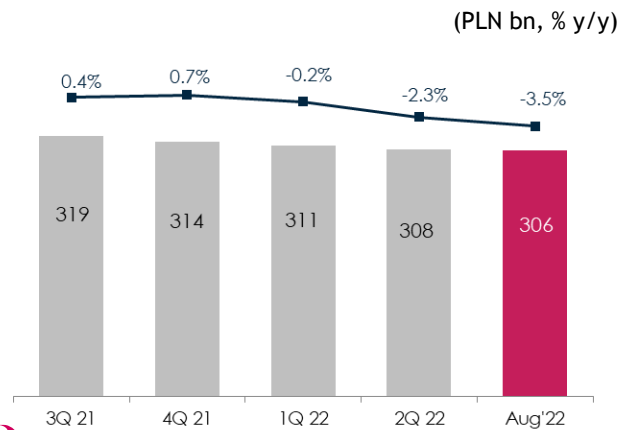
### Mortgage loans



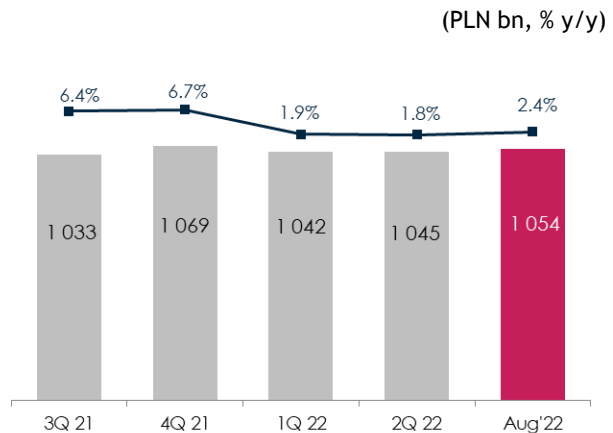
### Loans to companies



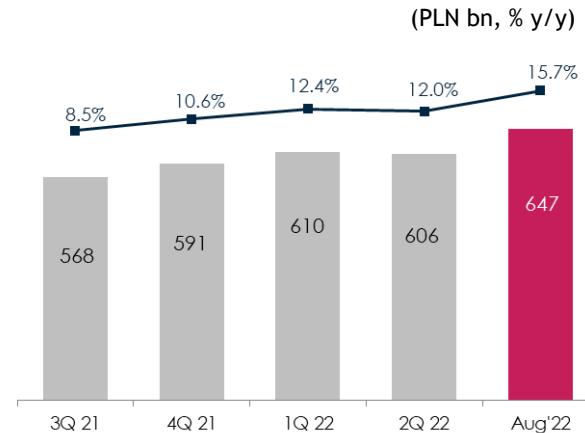
### Households: non-mortgage loans



### Deposits from households



### Deposits from companies



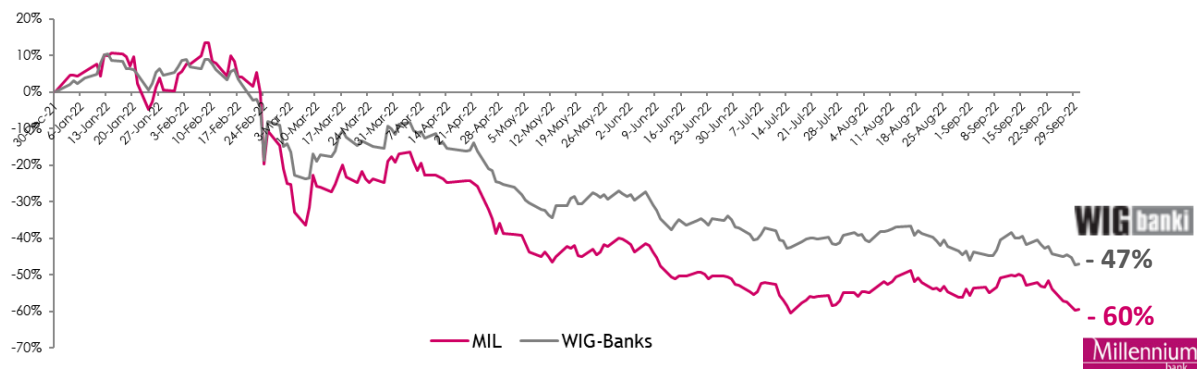
Households' demand for loans is declining amid high interest rates, mainly due to mortgage loans. In Jul'22 and Aug'22 the value of total loans to enterprises continued to grow, which is related to the increased demand for overdraft loans.

In Aug'22, the value of deposits in the banking sector was significantly higher than at the end of 2Q22. This was due to both household and corporate deposits, which result from their still good financial stance.

# RATINGS AND MARKET RATIOS

3Q22 brought mixed performance of Polish equities with recovery of indices in July and early August and further deepening of losses thereafter, as risk aversion returned globally.

## Bank Millennium share performance vs. WIG Bank index



## 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

## Ratings of Bank Millennium

On August 5, 2022 Fitch rating agency downgraded Bank's long-term and short-term ratings (stable outlook).

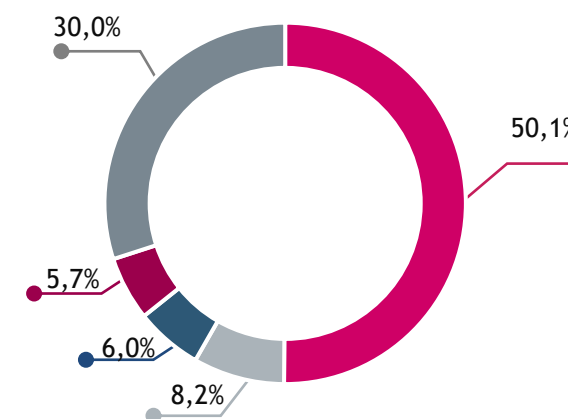
In their report Fitch stated, among others, that: 'Millennium's ratings reflect capital pressures predominantly from above-average exposure of the bank to products which have become the subject of government or judicial intervention negatively impacting reported profitability. At the same time, they are supported by solid franchise, reasonable core profitability and asset quality as well as strong funding and liquidity profile.'

**Moody's** Baa3 / P3/ ba2 / under review for downgrade

**Fitch** BB / B/ bb/ stable outlook

## Bank Millennium shareholders' structure (31.12.2021)

- BCP
- Nationale-Nederlanden Pension Fund
- Aviva Pension Fund
- PZU „Złota Jesień” Pension Fund
- Remaining free float



# RECENT ESG ACTIONS

Millennium

My też wspieramy paraolimpijki  
#CorinneRunsForGood



**ESG activities**, one of the pillars of Bank Millennium's business strategy, are implemented in the company's day-to-day activity and apply to three main groups: customers, employees and community. The Bank also supports UN Sustainable Development Goals (SDG) and is also a signatory of the Diversity Charter.

## Millennium TFI green funds

We have changed the product offer of Millennium TFI. Millennium TFI has transformed three Sub-funds separated under the Millennium Specialist Open Investment Fund in accordance with the requirements of Article 8 of the Sustainable Finance Disclosure Regulation. They promote environmental, social and corporate governance compliance aspects (as so-called light green products) through including them in the deposit selection criteria and in the investment restrictions applied. Clients who would like to support sustainable development with their investment decisions can choose products from the Millennium TFI offer.

## Reducing consumption of energy and resources

We have decided to switch off the light boards in branches and offices in Warsaw, Wrocław and Gdańsk after working hours in the autumn and winter period. Thus, we encourage saving and reduction of electricity consumption in the face of potential difficulties on the energy market. The Bank operates in 600 outlets, including 200 franchise outlets.

## Bank Millennium's digital support for those in need

Bank Millennium decided to donate almost 500 pieces of computer equipment to the Forani Foundation from March till September 2022 as part of the educational project "Komputer od Aniola". The equipment will go to schools and aid institutions, such as hospices or community centers, as well as to people in a difficult life situation.

## Cooperation with the Ministry of Finance for financial education of the youngest

The Bank Millennium Foundation shared its experience in teaching the youngest with the institutions developing a nationwide financial education programme under the aegis of the Ministry of Finance.

## Paralympic support

For the second time, in an effort to support Paralympic athletes, this year preparing to compete in the Olympic Games in Paris, Bank Millennium funded a scholarship for one of the Polish and two Ukrainian athletes.

## Report "Responsible business in Poland. Good Practices"

In this year's report "Responsible business in Poland. Good practices" prepared by the Responsible Business Forum includes four practices of Bank Millennium in the area of sustainable development.

## Ranking of Responsible Companies

Bank Millennium was ranked in the top ten of the 16th Responsible Companies Ranking, assessing companies for i.a. efficiency in implementing various declarations and policies in the field of sustainable management. In the banking, financial and insurance sector category, the Bank took fifth place.

# THE MOST IMPORTANT AWARDS AND ACHIEVEMENTS OF BANK MILLENNIUM in 3Q22

Professionalism, information security, world-class digital banking and people confirmed by independent rankings and competitions



**Bank Millennium is the Best Digital Bank in Poland and the winner in 3 other categories of Global Finance awards for 2022**

We received awards in 4 categories:

- The Best Consumer Digital Bank in Poland
- The Best Integrated Consumer Bank Site in Central and Eastern Europe
- The Best Integrated Corporate Bank Site in Central and Eastern Europe
- The Best Information Security and Fraud Management in Central and Eastern Europe



**Contact Center employees stood on the podium of the Polish Contact Centre Awards 2022 7 times**

PCCA is the largest event of the contact centre and customer care/service industry in Poland. It was created as a result of the merger of two industry competitions (Telemarketer of the Year and Golden Handset) organised by the Polish Marketing Association SMB.

Once again, our employees dominated the competition and knocked out the competition.

**Ranking Banków  
Miesięcznika Finansowego BANK**



**Millenet internet banking on the top of the BANK monthly ranking**

The Bank was highly regarded in the customer satisfaction survey carried out as part of the Bank Ranking of the BANK Financial Monthly. We were 1st in the online banking category and took the medal-winning 3rd place in the general classification.

The customer survey evaluating financial institutions accompanies the main ranking, which has been prepared for 27 years.

# SYNTHETIC P&L ACCOUNT

## Reported results

	1-3Q21	1-3Q22	Change Y/Y	2Q22	3Q22	Change Q/Q
Net interest income	1 946	3 411	75%	1 179	1 271	8%
Net commission income	616	606	-2%	206	179	-13%
Other non-interest income	73	-116	-258%	-48	-46	-5%
<b>Operating Income</b>	<b>2 635</b>	<b>3 902</b>	<b>48%</b>	<b>1 337</b>	<b>1 405</b>	<b>5%</b>
General and administrative costs	-1 057	-1 468	39%	-624	-409	-34%
Depreciation	-151	-156	4%	-53	-52	-1%
<b>Total operating costs</b>	<b>-1 208</b>	<b>-1 625</b>	<b>34%</b>	<b>-677</b>	<b>-462</b>	<b>-32%</b>
Net cost of risk *	-217	-267	23%	-71	-113	60%
Other modification	0	-50	-	0	-50	-
Provision for credit holidays	0	-1 423	-	0	-1 423	-
FX legal risk provision	-1 573	-1 513	-4%	-515	-498	-3%
<b>Operating profit</b>	<b>-363</b>	<b>-975</b>	<b>-</b>	<b>74</b>	<b>-1 140</b>	<b>-</b>
Banking tax	-231	-169	-27%	-87	0	-100%
<b>Pre-tax profit</b>	<b>-594</b>	<b>-1 144</b>	<b>-</b>	<b>-13</b>	<b>-1 141</b>	<b>-</b>
Income tax	-229	-119	-48%	-127	140	-
<b>Net profit</b>	<b>-823</b>	<b>-1 264</b>	<b>-</b>	<b>-140</b>	<b>-1 001</b>	<b>-</b>

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



# BALANCE SHEET

	30.09.2021	30.06.2022	30.09.2022	Change y/y
<b>ASSETS</b>				
Cash and balances with the Central Bank	1 978	5 810	10 132	412%
Loans and advances to banks	578	1 080	1 186	105%
Loans and advances to customers	77 280	79 342	78 965	2%
Amounts due from reverse repo trans.	9	8	5	-52%
Debt securities	21 229	19 532	16 331	-23%
Derivatives (for hedging and trading)	138	221	321	132%
Shares and other financial instruments	169	149	216	28%
Tangible and intangible fixed assets	911	938	946	4%
Other assets	1 499	1 778	2 092	40%
<b>TOTAL ASSETS</b>	<b>103 791</b>	<b>108 858</b>	<b>110 194</b>	<b>6%</b>
<b>LIABILITIES AND EQUITY</b>				
Deposits and loans from banks	529	547	604	14%
Deposits from customers	90 250	96 122	97 771	8%
Liabilities from repo transactions	0	0	764	-
Financial liabilities at fair value through P&L and hedging derivatives	444	1 081	1 296	192%
Liabilities from securities issued	291	0	0	-100%
Provisions	379	759	926	145%
Subordinated liabilities	1 539	1 554	1 564	2%
Other liabilities	2 380	3 017	2 405	1%
<b>TOTAL LIABILITIES</b>	<b>95 813</b>	<b>103 079</b>	<b>105 328</b>	<b>10%</b>
<b>TOTAL EQUITY</b>	<b>7 979</b>	<b>5 779</b>	<b>4 866</b>	<b>-39%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>103 791</b>	<b>108 858</b>	<b>110 194</b>	<b>6%</b>

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