

Millennium
bank

Presentation 2Q23/1H23 results

26 July 2023



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.

Data is based on published financial reports with following pro-forma adjustments:

- The Bank altered its presentation of margin on derivatives that is not meeting formal hedge accounting principles and from Jan 1, 2021 all margin from derivatives is included in the reported NII.
- According to current understanding of IFRS9 standard, small part of credit portfolio is fair valued through P&L. As fair value adjustment of this portfolio has similar economic effect to impairment adjustment, in this presentation it was excluded from 'total operating income' and added to cost of risk line.
- Starting from 3Q22 a part of costs of amicable settlements with FX-mortgage borrowers is presented in 'results from modifications' and these costs are not included in the cost of credit risk in this presentation.
- Cost of credit holidays is presented in interest income/NII. For comparison purposes, in this presentation NII/NIM and other figures are presented also before such an impact.

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

AGENDA

Financial
performance

01

Business
development

02

Appendices

03



PRESENTATION OF 2Q23/1H23 results

Financial performance

KEY PROFIT & LOSS ITEMS

PLNm	1H23	1H22	Change Y/Y	2Q23	1Q23	Change Q/Q
Net interest income	2 598	2 140	21%	1 336	1 262	6%
Net commission income	404	427	-5%	203	201	1%
Total operating income	3 574	2 497	43%	1 517	2 057	-26%
Total costs	-970	-1 163	-17%	-448	-522	-14%
<i>Costs without BFG/IPS</i>	-910	-791	15%	-472	-438	8%
Loan loss provisions	-172	-154	12%	-52	-119	-56%
Other modifications	-36	-		-17	-19	-8%
FX mortg. legal risk provisions	-1 621	-1 015	60%	-757	-864	-12%
Banking tax on assets	0	-169	-100%	0	0	-
Net profit	358	-263	-	106	252	-58%
<i>Net profit without extraordinary items*</i>	1 448	949	53%	776	672	16%
NIM	4.71%	4.14%	0.57 pp	4.85%	4.58%	0.27 pp
Cost/income reported	27.1%	46.6%	-19.4 pp	29.5%	25.4%	4.1 pp
Cost/income adjusted (*)	28.8%	41.3%	-12.6 pp	28.8%	28.7%	0.1 pp
Cost of risk (bp)	45	37	7 bp	27	63	-36 bp
ROE	12.4%	-8.2%	20.6 pp			
ROE adjusted (*)	22.7%	19.4%	3.3 pp			

KEY BALANCE SHEET AND BUSINESS ITEMS

PLNmn	June 23	June 22	Change Y/Y	Mar. 23	Change Q/Q
Active customers (ths)	2 949	2 805	144	2 923	26
inc. on-line and mobile	2 618	2 418	200	2 598	20
Customer Funds	107 831	102 909	5%	107 701	0%
Deposits	100 597	96 122	5%	100 876	0%
Deposits of individuals	71 714	65 165	10%	70 101	2%
Loans	74 152	79 342	-7%	75 380	-2%
FX Mortgage Loans excl. EB	4 055	7 602	-47%	5 012	-19%
Loans without FX mortgage	69 647	71 063	-2%	69 849	0%
L/D	73.7%	82.5%	-8.8 pp	74.7%	-1.0 pp
Impaired loan ratio (*)	4.5%	4.3%	0.2 pp	4.7%	-0.2 pp
Coverage ratio	73.0%	68.0%	5.0 pp	67.9%	5.1 pp
CET1 = T1	11.7%	12.1%	-0.4 pp	11.0%	0.7 pp
TCR	14.8%	15.2%	-0.4 pp	14.1%	0.7 pp



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

FINANCIAL HIGHLIGHTS OF 1H23

Strong core profitability, efficiency and asset quality. Another quarter of the year (and third since 4Q22) of material positive net results despite elevated costs related to FX-mortgage portfolio.

Positive net profit in 1H23

PLN358mn

Adjusted net profit*

+53% y/y

NII and NIM strongly up

+21%; +57bp y/y

ROE reported and adjusted*

12.4%/ 22.7%

Adj. cost/income*

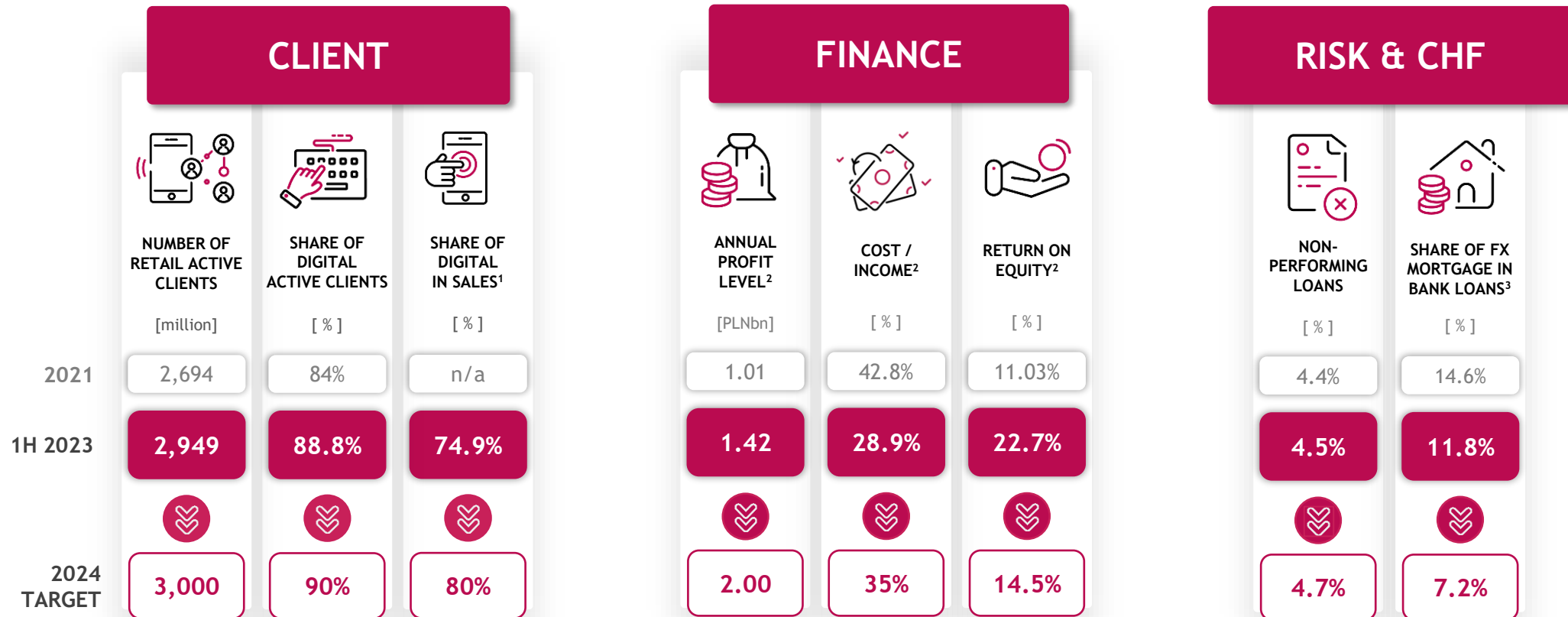
28.8%

NPL ratio

4.5%

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

We are on the right track to achieve the strategic objectives



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

We have shown strong customer growth and steady progress in business digitalisation, driven by two key success factors: TOP quality of service and high employees' satisfaction.

HIGHLIGHTS:

ACHIEVEMENTS

- ~ 20k settlements with clients regarding FX mortgages
- ~ 400k newly opened CA from the flagship Millennium 360 offer with access to broad range of value-added services and integration goodie into bank application
- reduction of own greenhouse gas emissions by nearly 60% at the end of 2022 compared to 2020

DELIVERED INITIATIVES

- 10-year strategic partnership with TU Europa insurance company
- E2E digital process of cash loan sales for NTB using open banking mechanism
- new mobile application for corporate clients based on modern mobile technologies
- Implementation of voice-bot technology in Contact Centre for selected processes covering ~15% of incoming traffic

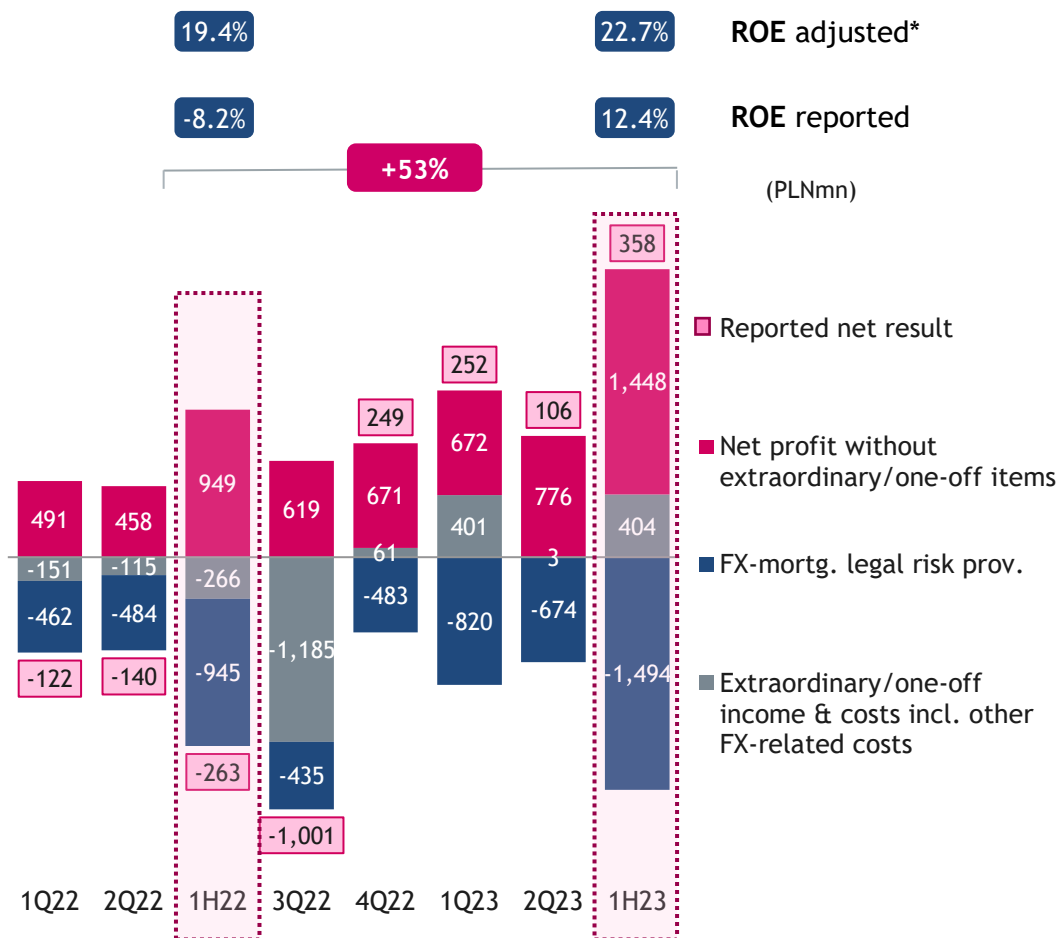
STARTED / ROLL-OUT

- transformation of the sales and service model for affluent and microbusiness clients combining digital channels with remote advisors' expertise
- transformation of branch network and operating model supported by expansion of Automatic Cash Service format
- support for corporate clients in green transformation backed by dedicated experts' team and extended financing products offer i.e., technological and ecological loan

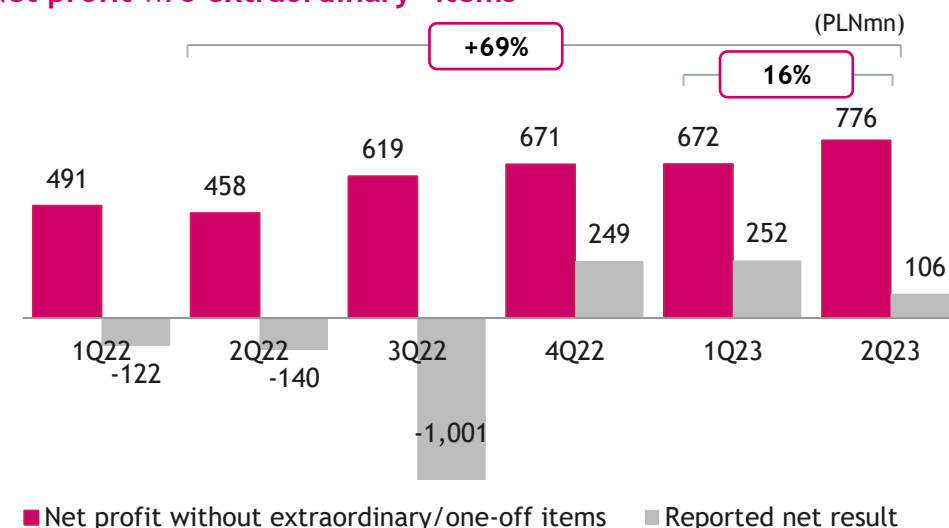
FINANCIAL HIGHLIGHTS OF 1H23

Material positive reported net result of PLN 358mn in 1H23. Adjusted profit of PLN1,448mn, up 53% y/y. Reported ROE of 12.4%.

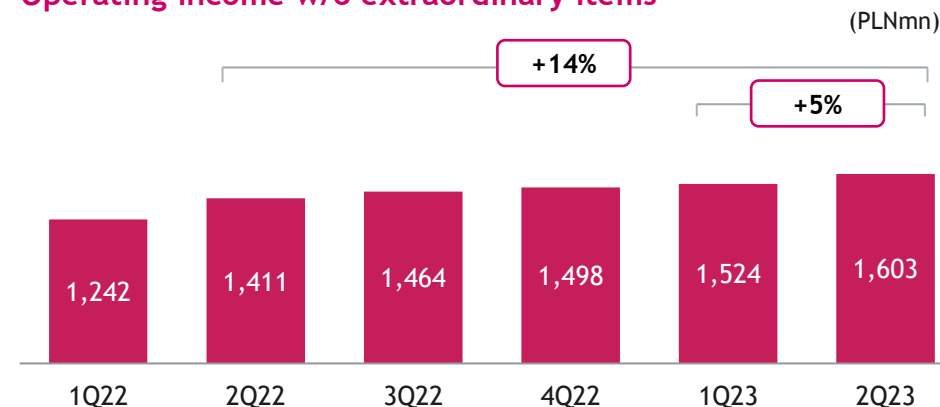
Net profit



Net profit w/o extraordinary* items



Operating income w/o extraordinary items**



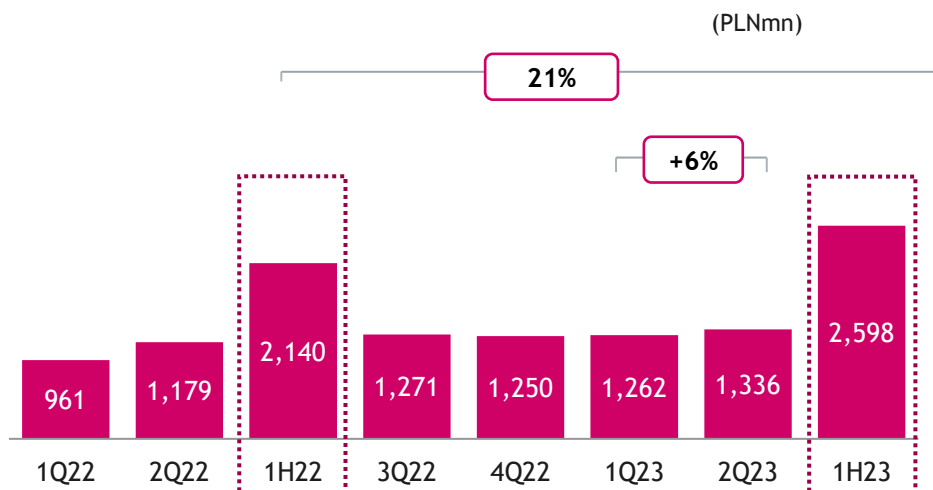
(*) Extraordinary items: Income from bancassurance transaction (PLN597mn pre-tax), FX-mortgage related costs, cost of credit holidays, with linear distribution of BFG resolution fund fee and hypothetical bank tax in 1H23; ROE: Equity adjusted for FX related costs

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

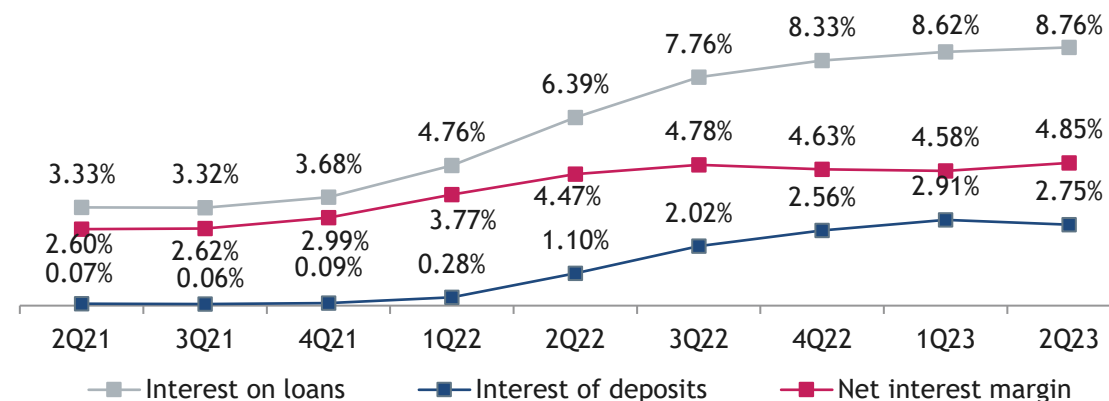
INTEREST AND COMMISSION INCOME

Further growth of NII of 6% q/q in 2Q23. 1H23 NII with solid y/y growth of 21%. Record high NIM in 2Q23: 4.85%

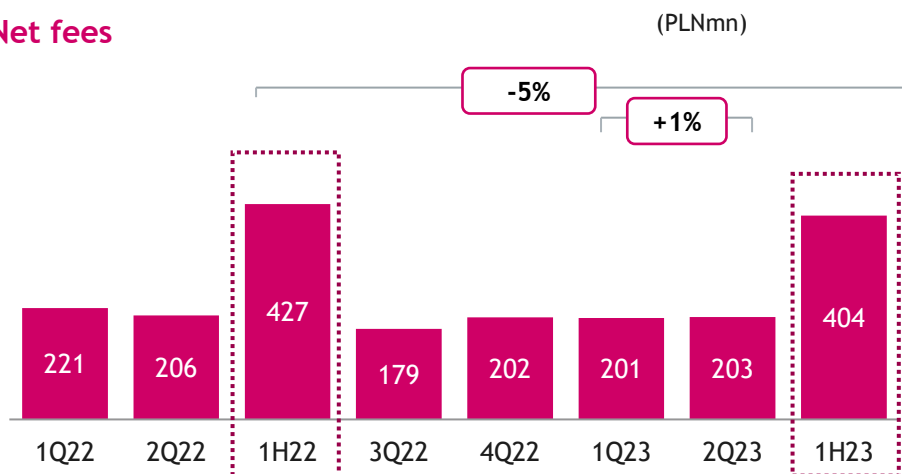
Net interest income*



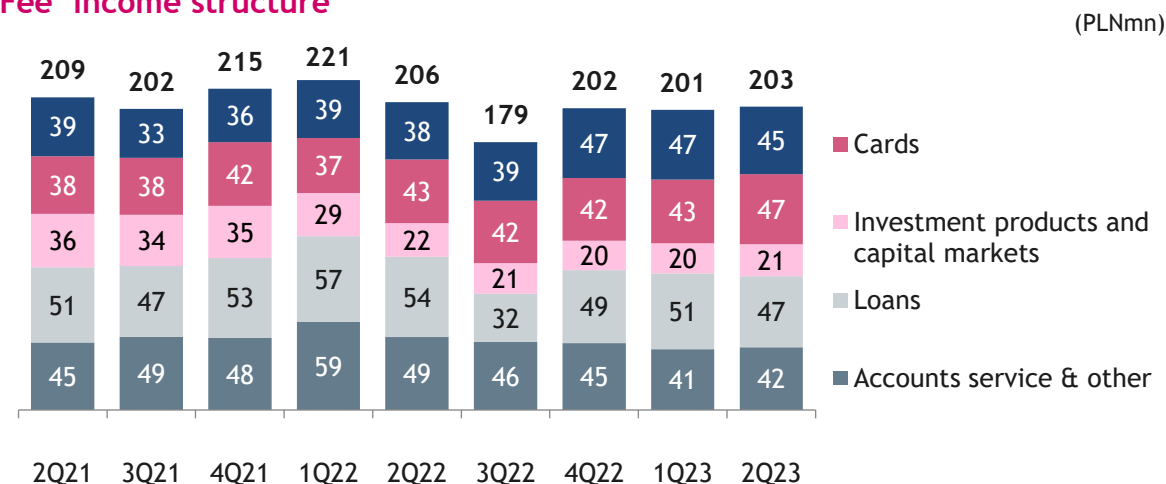
Interest on loans* and deposits (quarterly average)



Net fees



Fee income structure

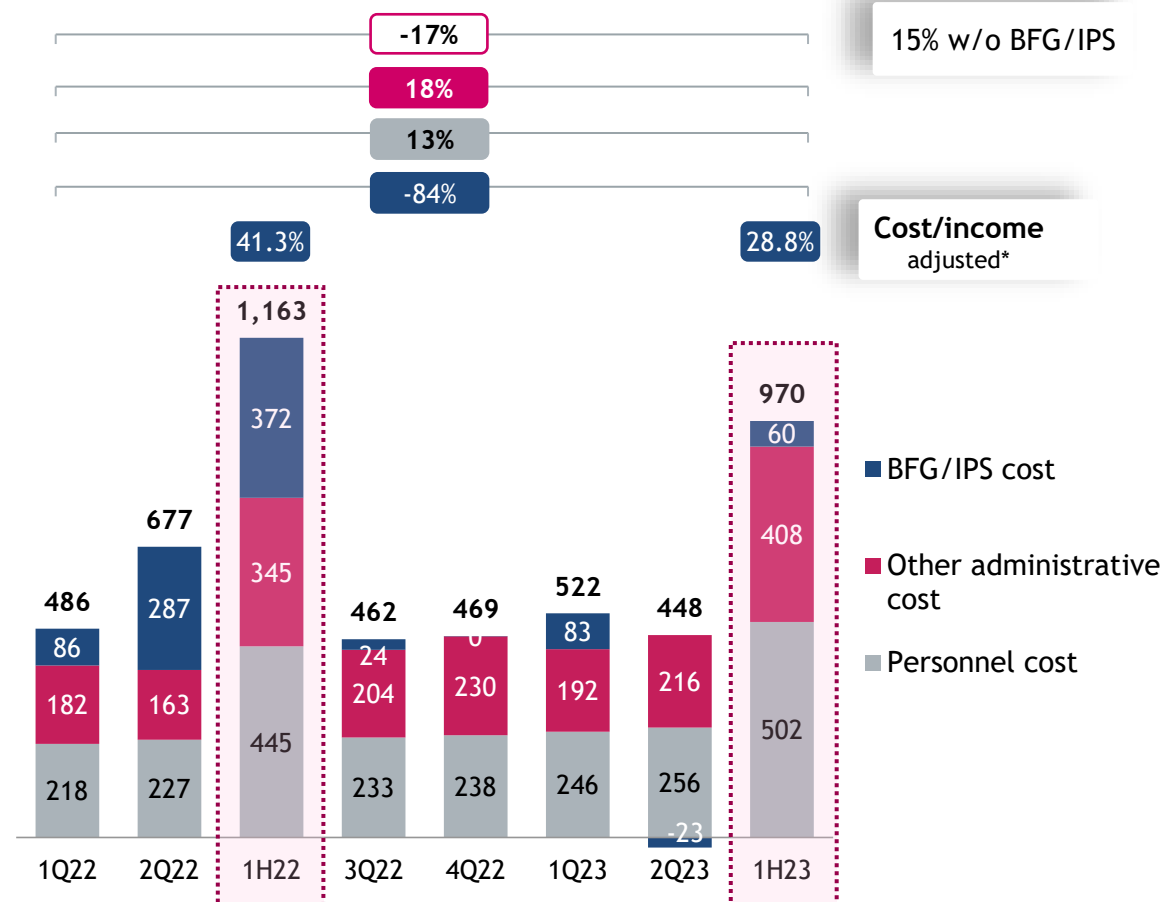


COST EFFICIENCY

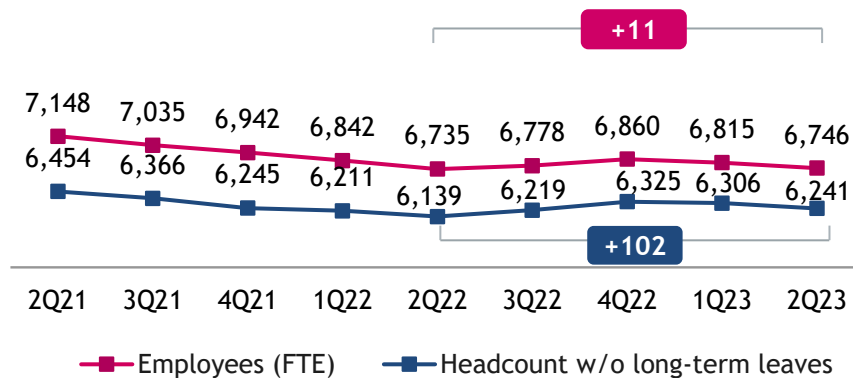
Operating costs (without BFG/IPS) grew 15% y/y. C/I improved to record low level of 28.8% supported by strong growth in operating income.

Operating cost

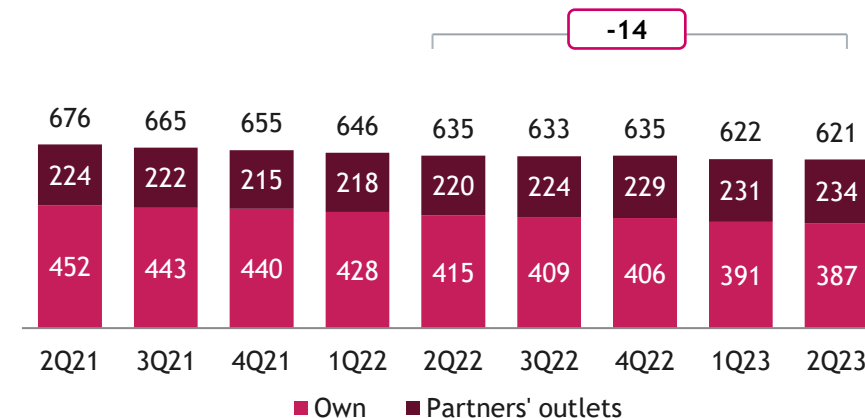
(PLNmn)



Employees



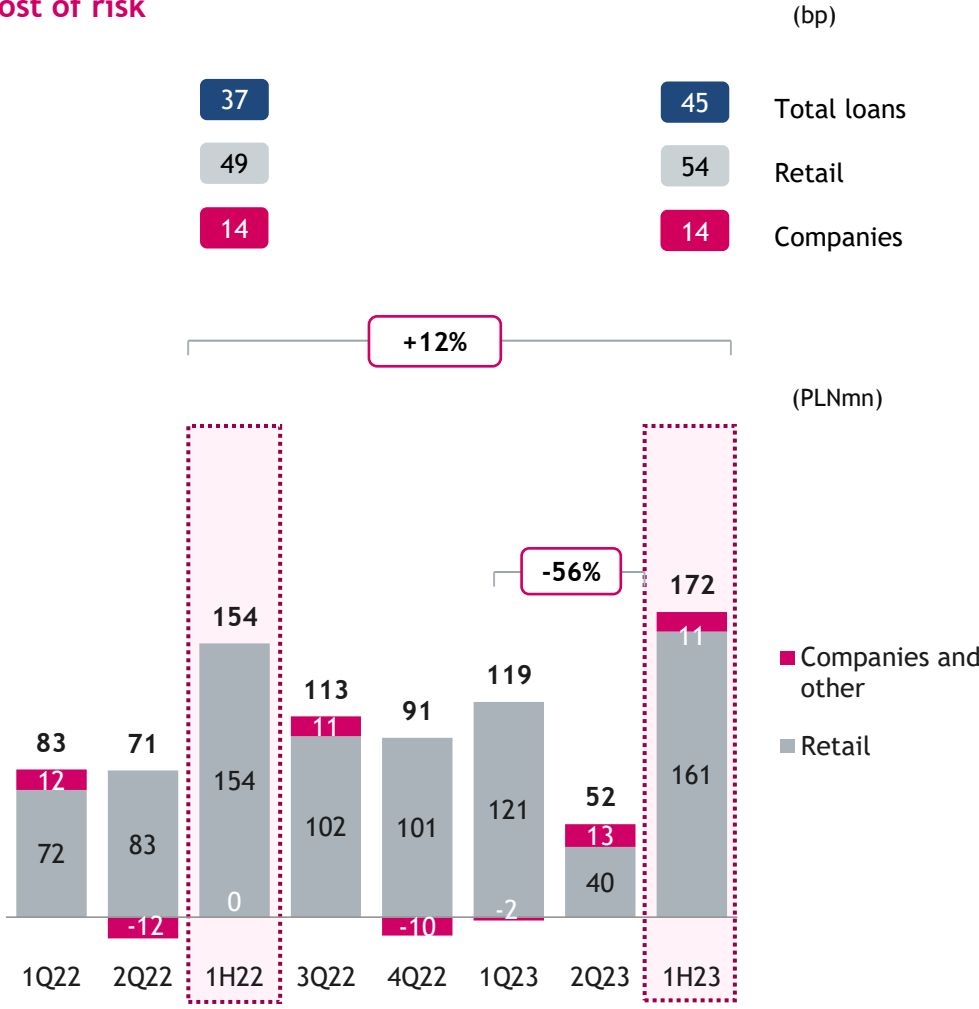
Branches



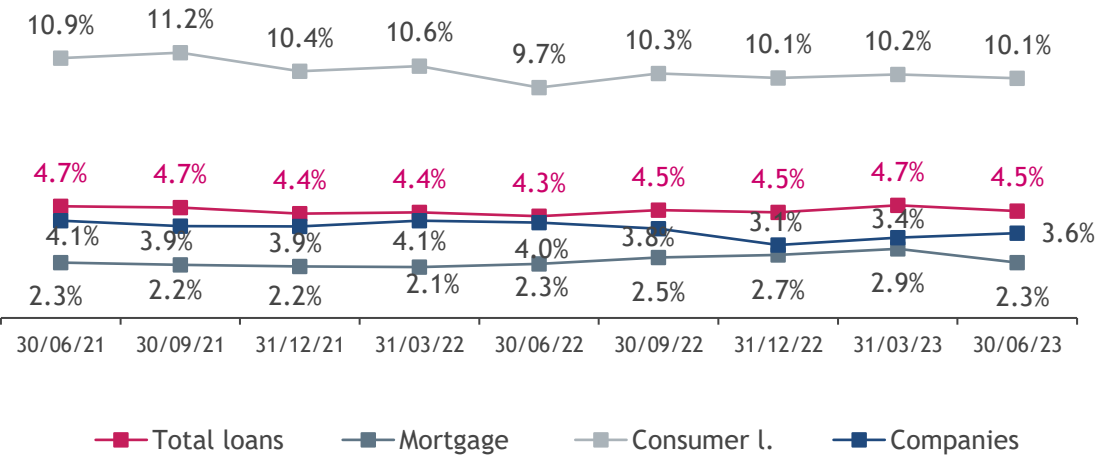
ASSET QUALITY

Strong credit quality, low cost of credit risk and much increased coverage of NPLs

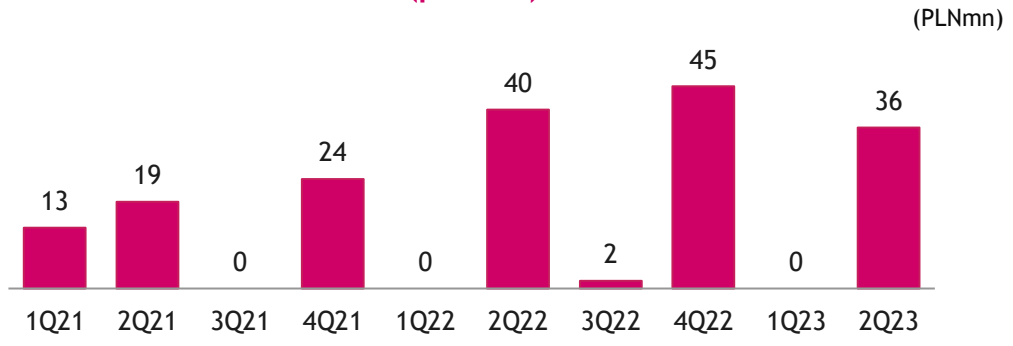
Cost of risk



Impaired loans (IFRS9 stage 3 & POCI)



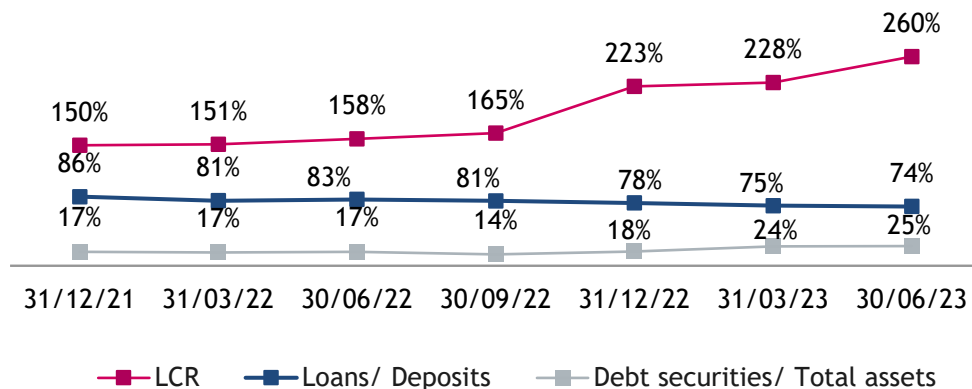
Result from sale of NPLs (pre-tax)



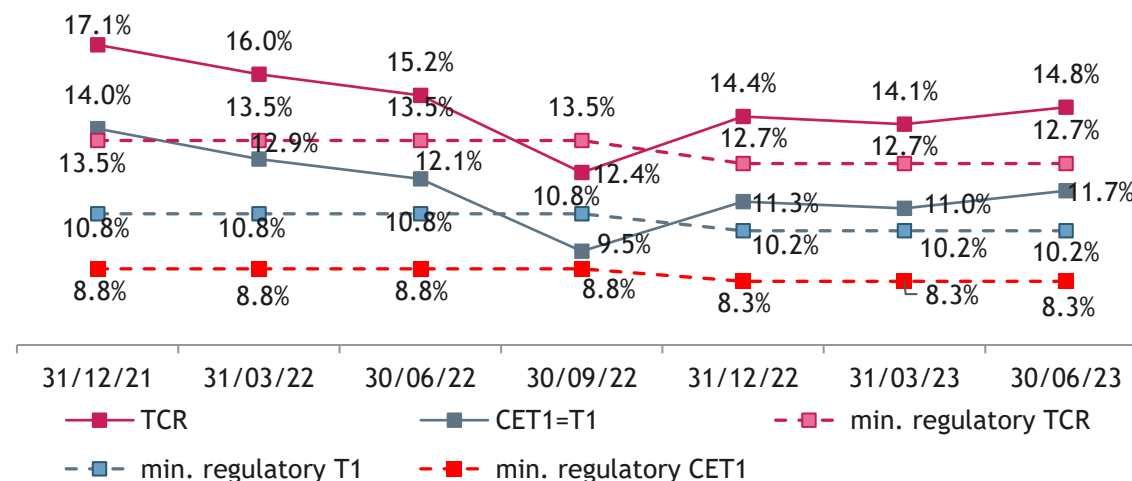
LIQUIDITY AND CAPITAL

Capital adequacy ratios improved further, widening the surplus above regulatory thresholds. Strong liquidity position.

Liquidity indicators

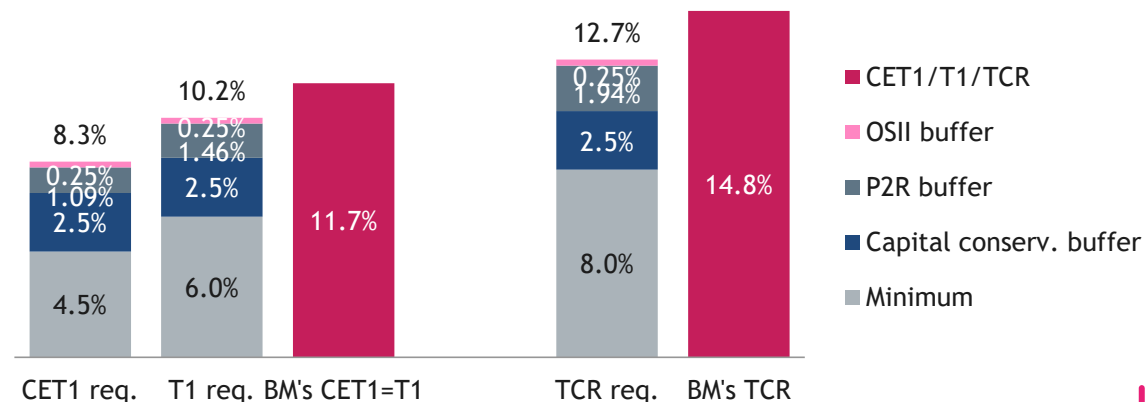


Group capital ratios*



- Widening capital surplus (1.5/2.1 pct. points of T1/TCR surplus)
- Interim MREL requirement w/o CBR met, MREL +CBR requirement still to be met
- Capital ratios to improve further by c45-50bps in July'23 owing to conclusion of synthetic securitisation of leasing receivables

Capital requirement vs. actual ratios* as on 30 June '23 (Group)

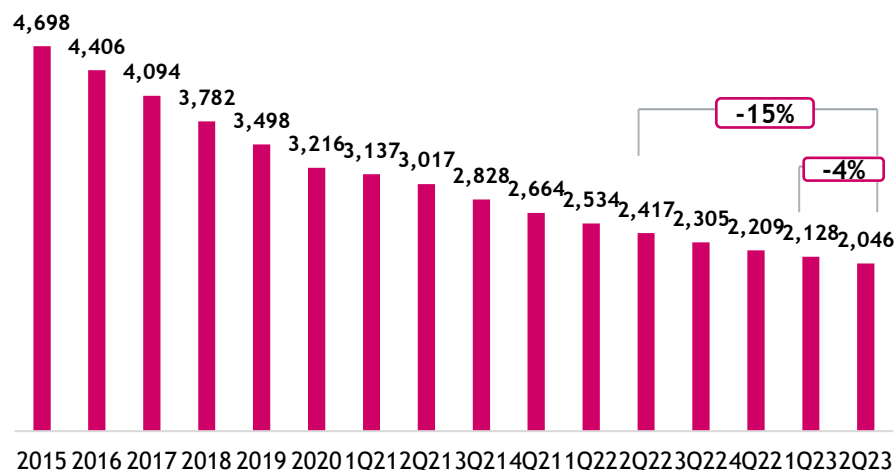


FX-MORTGAGE PORTFOLIO (1/2)

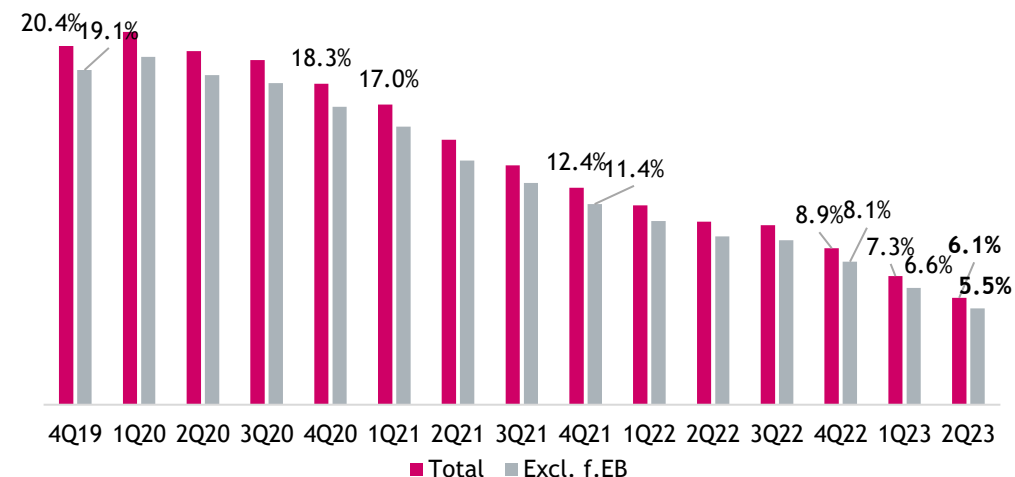
Maintained fast pace of FX-mortgage portfolio's downsizing

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

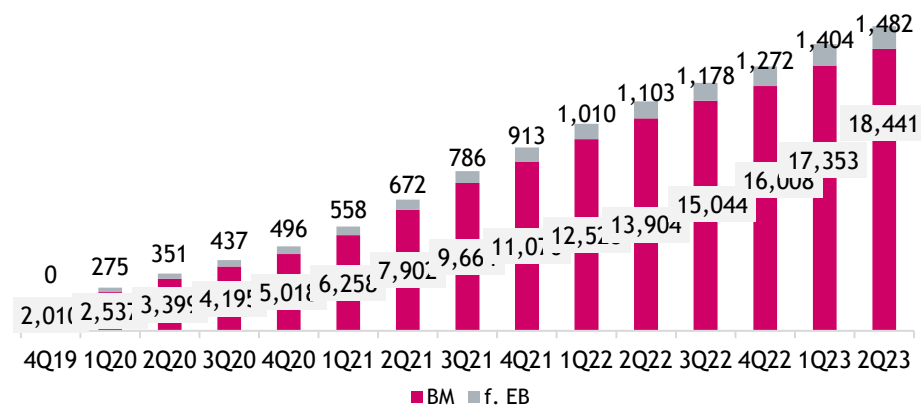
(CHFmn)



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

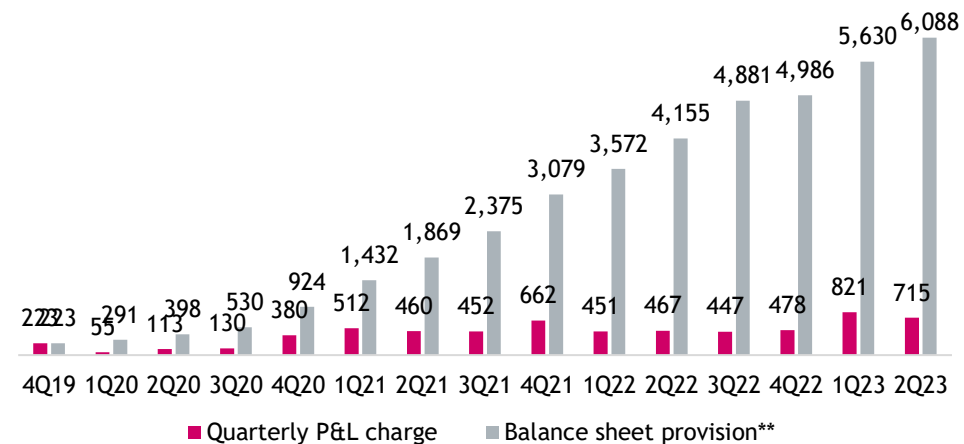


Individual indexation lawsuit cases (outstanding)



Provisions against legal risk*

(PLNmn)

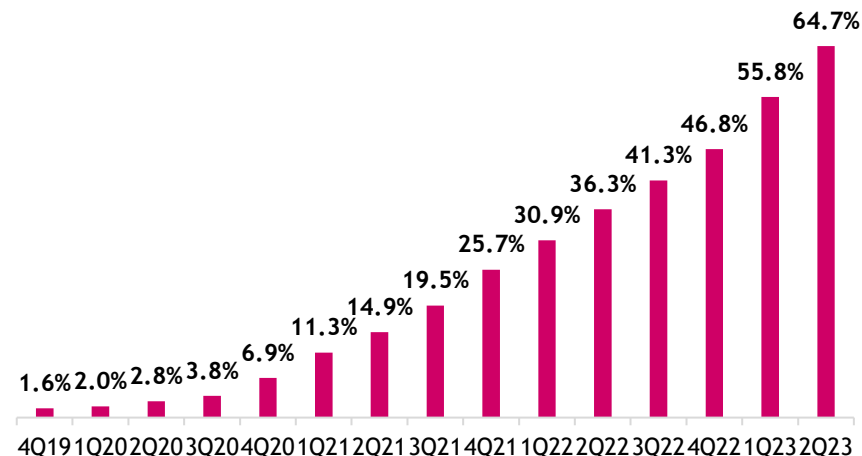


(*) Excluding f.EB, (**) actual outstanding B/S provisions; may differ from the sum of P&L charges due to FX movements and utilisations among others

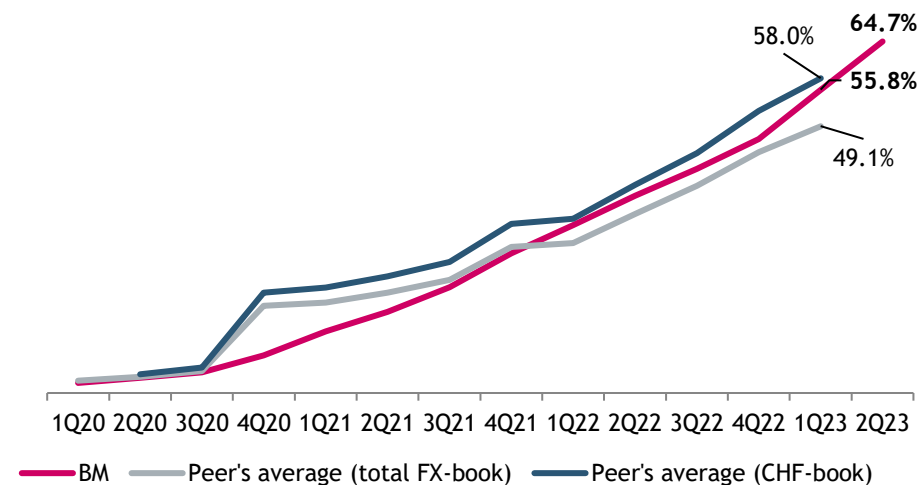
FX-MORTGAGE PORTFOLIO (2/2)

Number of amicable settlements reached 19.5k to date, nearly 1/3 of active agreements at YE19

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

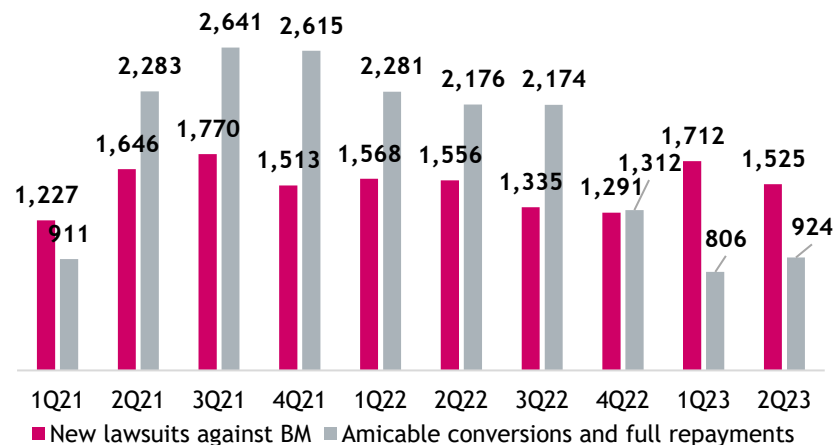


Legal risk provisions/outstanding FX-mortgage book** (% of gross loans)



New lawsuits vs. amicable settlements

(#)



Costs of amicable settlements

(PLNm, pre-tax)





PRESENTATION OF 2Q23/1H23 results

Business development

BUSINESS HIGHLIGHTS OF 1H23

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

Customer deposits

+5% y/y

Retail deposits

+10% y/y

Cash loan sales in 1H23

+25% y/y

Payment cards

+172k y/y

Active retail customers

2.95mn; +144k y/y

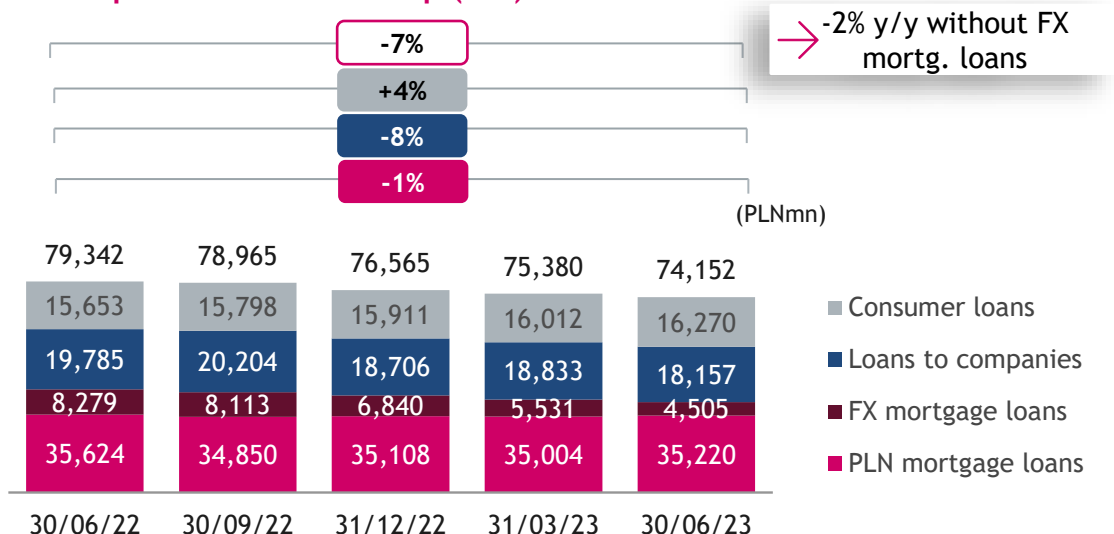
Active digital customers

2.6mn

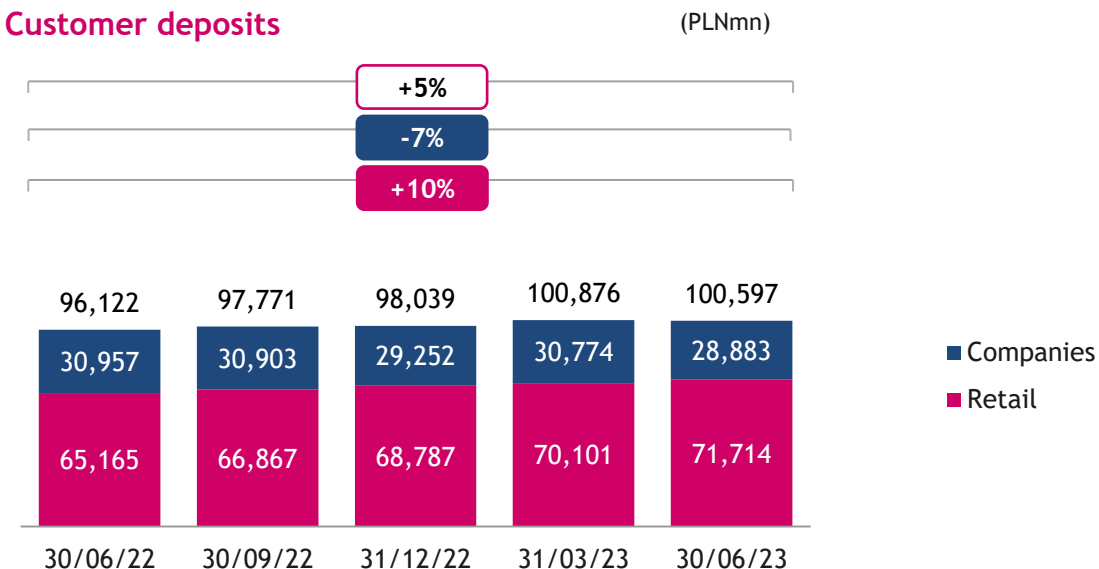
LOANS AND CUSTOMER FUNDS

Slowdown in corporate loans, consumer loans +4% y/y. Growth in deposits driven by retail segment.

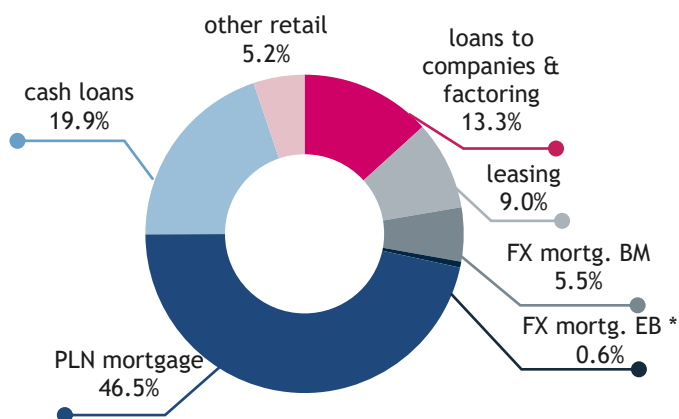
Loan portfolio of the Group (net)



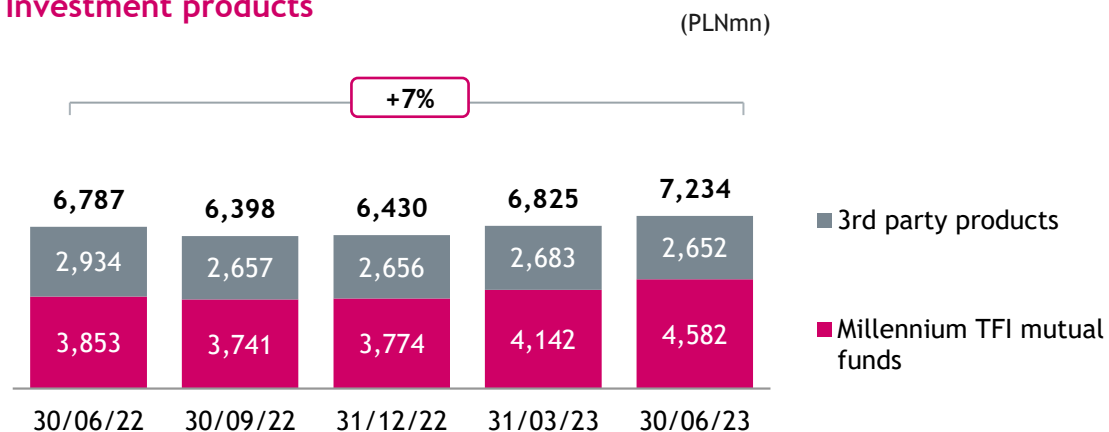
Customer deposits



Structure of loan portfolio (gross)**



Investment products



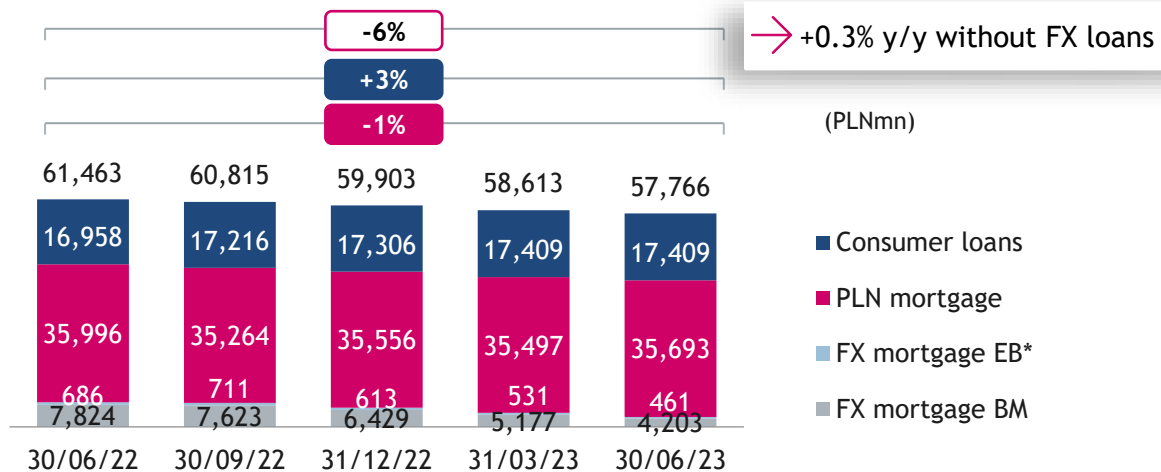
(*) Covered by SocGen guarantee and indemnity

(**) Net of legal risk provisions

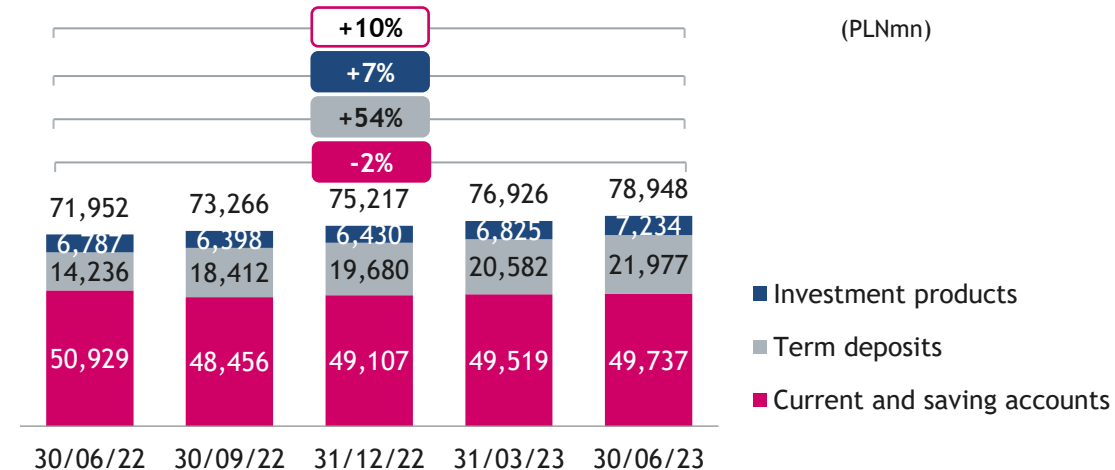
RETAIL BUSINESS - LOANS AND CUSTOMER FUNDS

Growing consumer loans but PLN mortgage decelerated. Deposits grew visibly by 10% y/y.

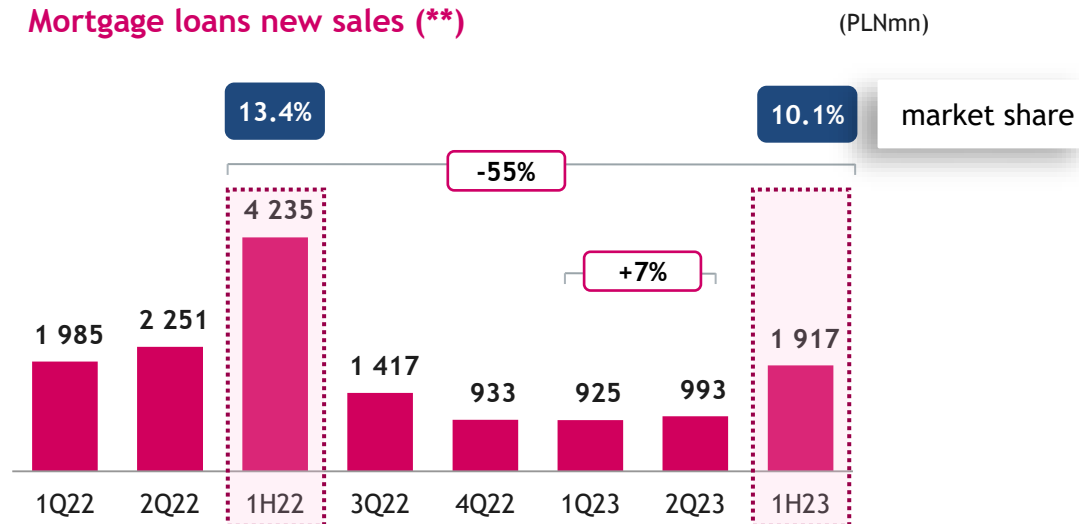
Retail loans (gross)



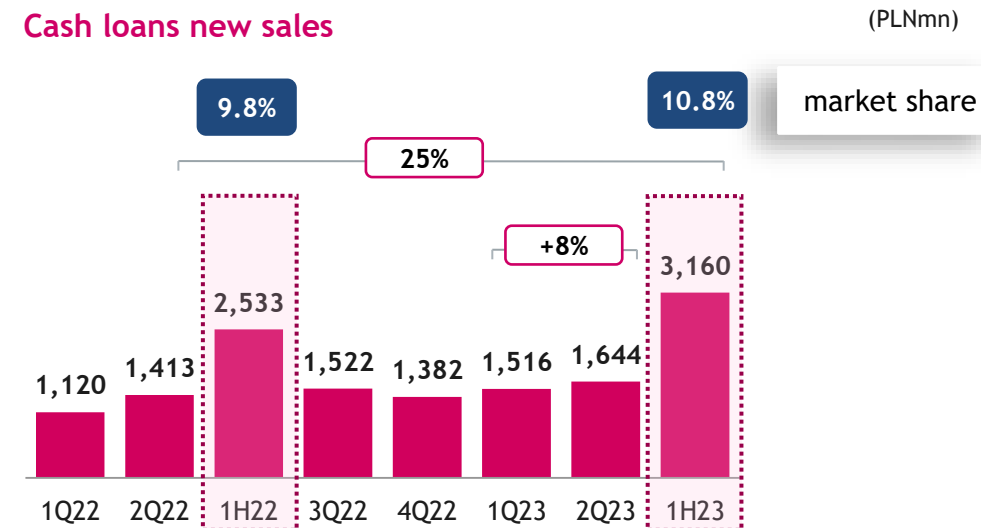
Retail customer funds



Mortgage loans new sales (**)



Cash loans new sales



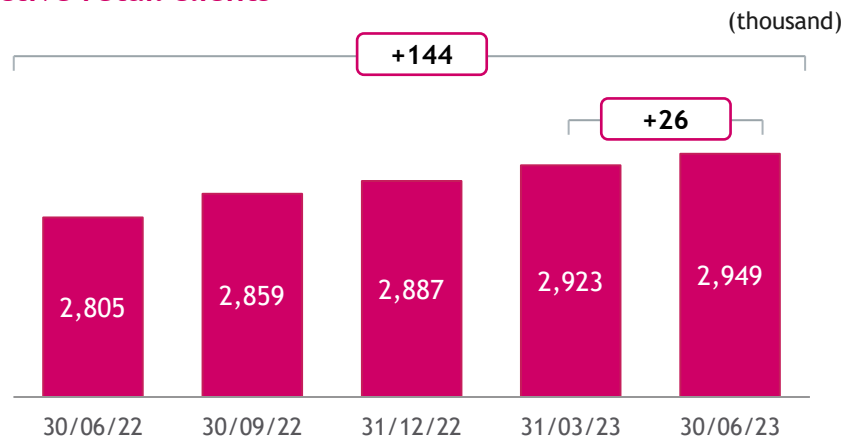
(*) Loans originated by f. Euro Bank - covered by 100% indemnity and 80% guarantee agreement with SocGen

(**) Disbursements; market share as % in value of new agreements

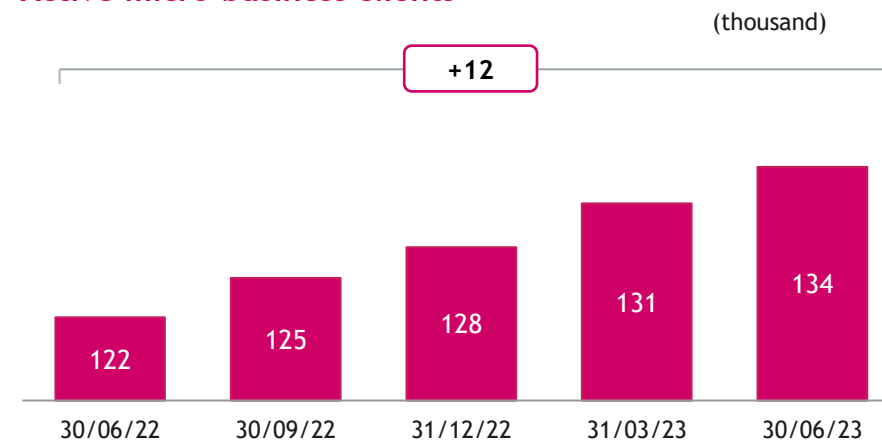
RETAIL BANKING - NUMBER OF CUSTOMERS AND ACCOUNTS

Considerable growth of new customers, cards and accounts

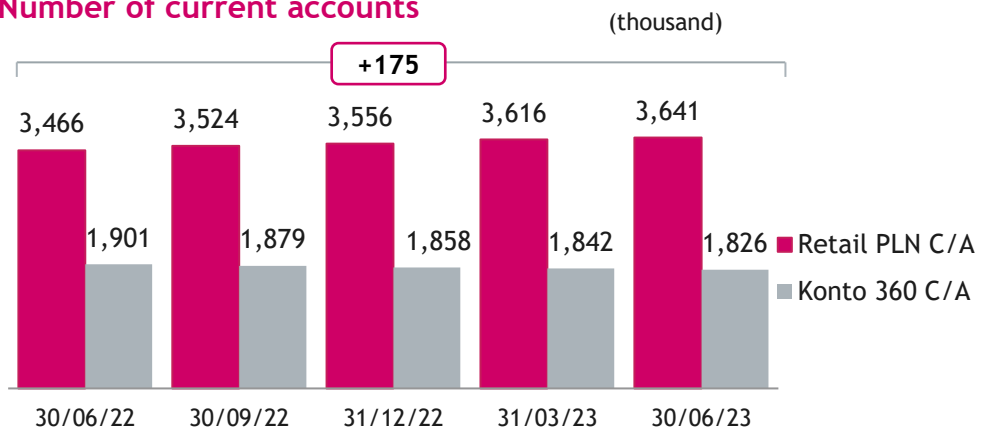
Active retail clients



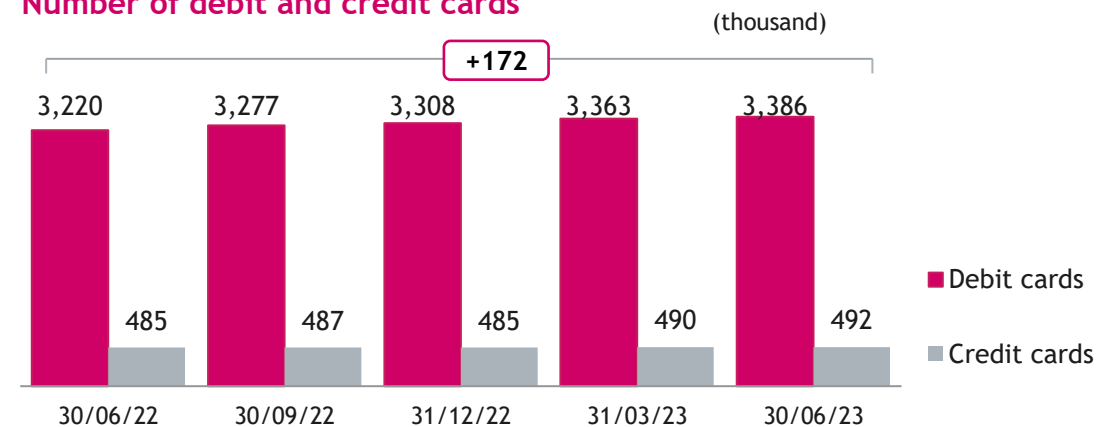
Active micro-business clients



Number of current accounts



Number of debit and credit cards



CUSTOMERS DIGITALISATION

Personalised and contextualised approach to customer activation in digital channels

ACTIVE USERS



2.62mn

Active digital users
(+8% y/y)



2.37mn

Active mobile users*
(+13% y/y)



1.7mn

BLIK users in
1H2023 (+22% y/y)



4.8



4.8



4.9

SYSTEMATIC APPROACH TO DIGITALISATION

- ✓ Extension of digitalisation efforts to all customers - activating customers in mobile banking and exploring their attachment to the app
- ✓ Customer profile analysis - measuring engagement and building digitalisation paths based on user activity
- ✓ Holistic approach - focusing on the customer's history and profile rather than individual logins and operations
- ✓ Personalised offer available to the customer across all channels of contact with the bank
- ✓ Close cooperation between electronic and traditional channels
- ✓ Special approach to 65+ customers



DIGITAL SALES

Omnichannel processes and personalised campaigns as a base of stable increase in digital sales



CASH LOANS

81%

Digital share in cash loan sales in 1H23

+18%

In number of cash loans disbursed online in 1H23 vs. 1H22



ACCOUNTS

41%

Digital share in current accounts acquisition in 1H23

+21%

In number of accounts opened online in 1H23 vs. 1H22



TERM DEPOSITS

96%

Digital share in term deposits sales in 1H23

+24%

In number of term deposits set online in 1H23 vs. 1H22

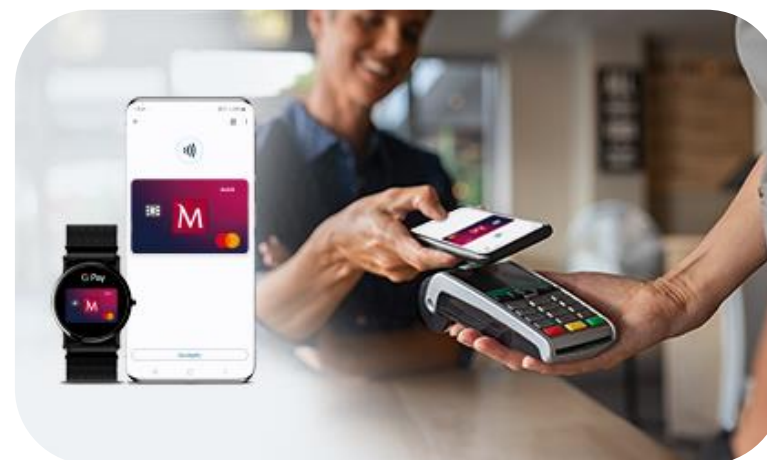
CARDS



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

In 1H 2023, customers gained access to a total of more than **5,000 deposit machines available in Euronet and Planet Cash networks** across Poland.

We also implemented a new **omnichannel credit card application process**, which we built based on an existing loan application - highly rated by customers.



NEW FEATURES FOR RETAIL CUSTOMERS

Convenient and secure solutions for daily banking



Biometric authorization



We are continuously expanding the use of biometrics in the mobile app. Customers can thus conveniently and securely authorise transactions, e.g. transfers, BLIK payments, phone top-ups.

Online disbursement of mortgage loan



Some of the customers with a granted mortgage loan can already order a loan disbursement in Millenet and the mobile app. Until now, customers could only do it at our own branch.

New BLIK services



In the first half of the year, we made available the BLIK P2P transfer request and bill sharing, which make it even easier to share finances. Bank Millennium was the fourth provider on the Polish market to offer this service. We also started the implementation phase of BLIK BNPL deferred payments.

Improved search engine



The new search engine allows the search criteria and filters to be precisely defined. Finding transactions is even easier, even if the customer does not remember which card or account they ordered the payment from. The search engine also analyses transactions on accounts at other banks aggregated via open banking. This option can already be used by customers in Millenet, and we are now testing the new solution in the mobile app.

GOODIE - SMARTSHOPING PLATFORM OF BANK MILLENNIUM

Development and promotions for cashback users



1H23:



113% increase y/y

The number of acquired cashback users



PLN2bn turnover

exceeded in the goodie cashback service



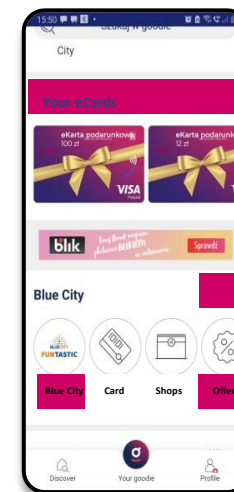
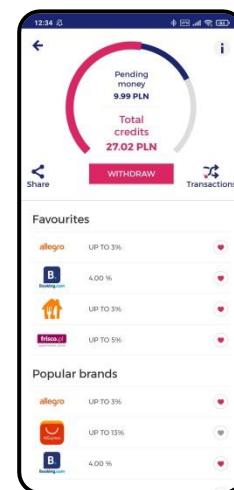
PLN40mn cashback paid

to goodie cashback users accounts from the beginning of the service



„Polecaj i zarabiaj” in goodie

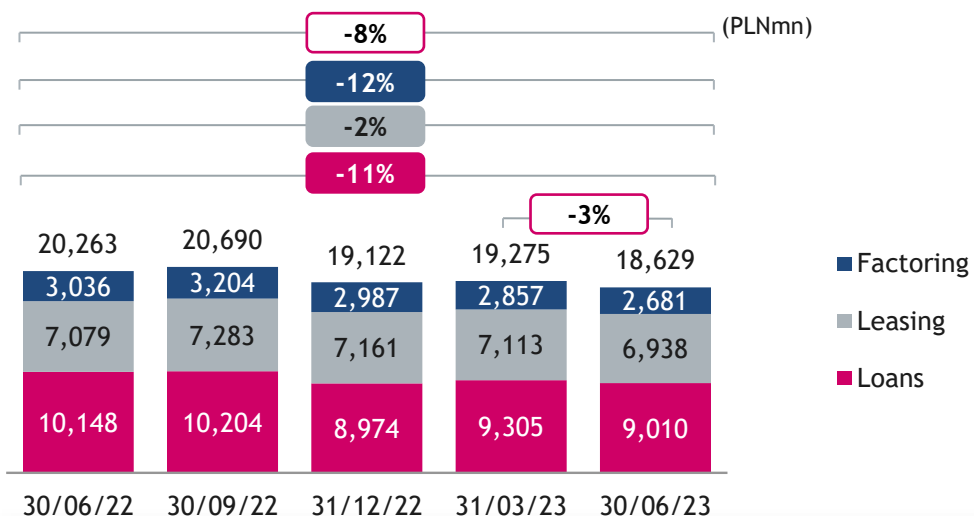
Implementation of the referral program



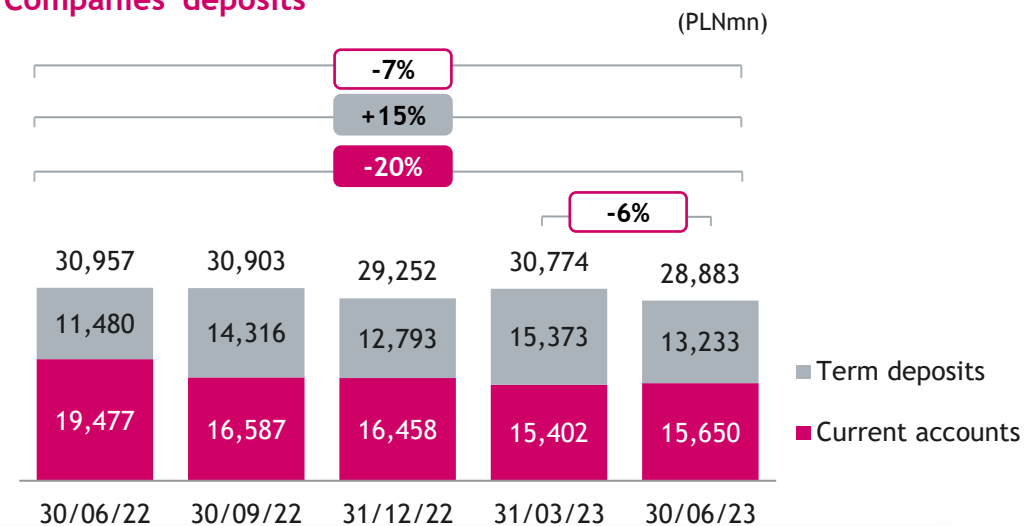
COMPANIES BUSINESS - DEPOSITS AND LOANS

Stagnation in corporate portfolio due to RWA limitations. Corporate term deposits slid in 2Q23 as Bank's liquidity improves. Growing transactions and wider focus on SME

Loans to companies (gross)



Companies' deposits

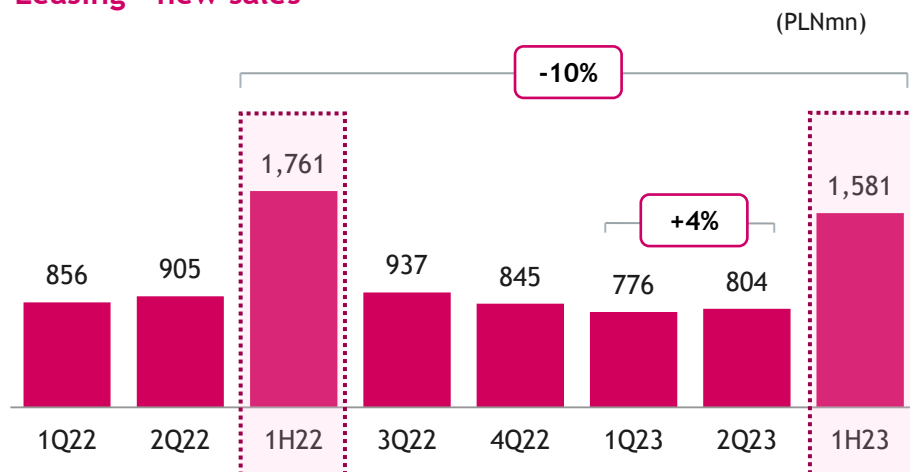


- Loan portfolio contracted -8% y/y due to focus on RWA optimisation. High utilisation of BGK guaranties and targeting mostly SME customers. Current stock of BGK guaranties at level of PLN3.9bn
- Some quarterly contraction of companies' term deposits as Bank's liquidity further improved and as a result of tight price management in 2Q23. Well balanced mix of CA/TD.
- Gradual improvement in transaction activity. FX transactions +10% y/y, domestic transfers stable.
- New credit lines offered to clients under EU FENG program in collaboration with BGK: 'technological BGK partnership loan' financing innovative investment projects and 'ecological BGK partnership loan' for energy efficiency projects, which already meet increased interest from clients.

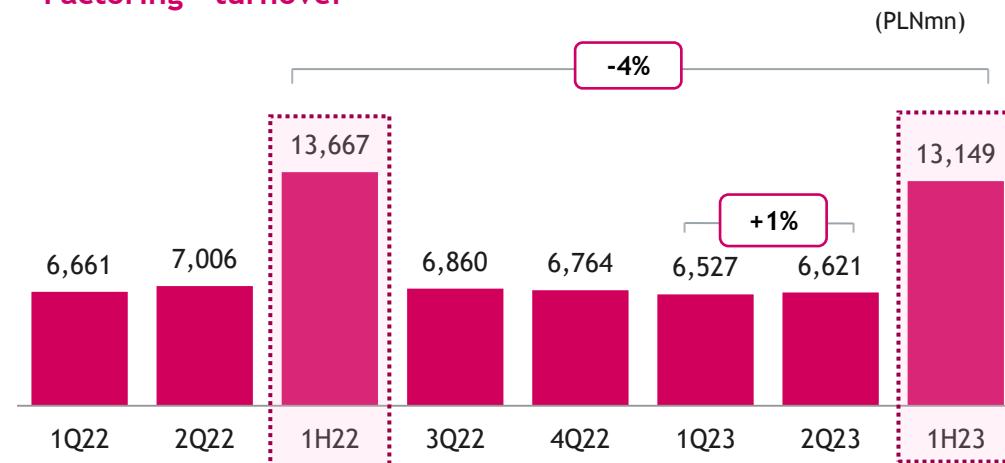
COMPANIES BUSINESS - LEASING, FACTORING AND TRANSACTIONS

Some contraction in leasing and factoring due to tight RWA management. Steady growth of transactions.

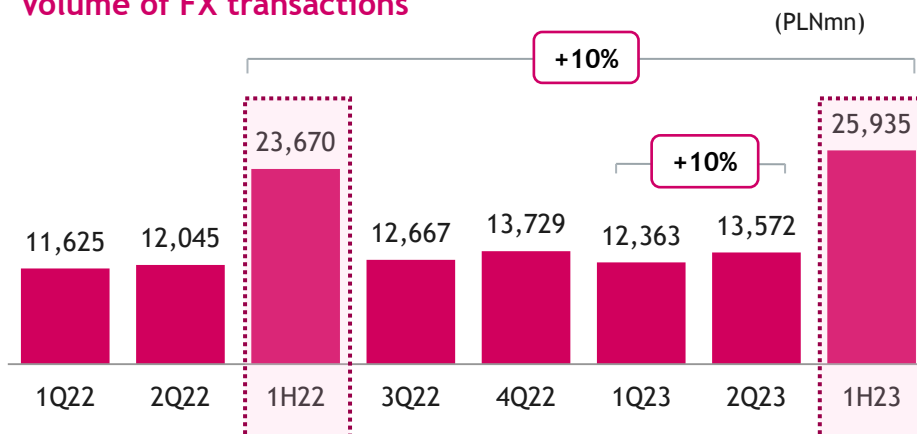
Leasing - new sales



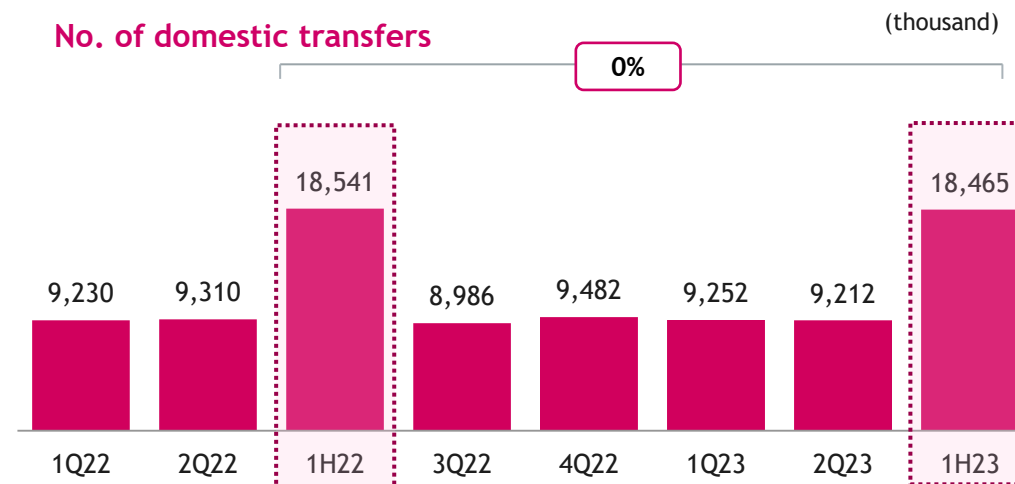
Factoring - turnover



Volume of FX transactions



No. of domestic transfers



NEW MOBILE APP FOR COMPANIES

Convenient and intuitive tool for corporate banking

400 weekly

Customers activate the app

42%

Users log in using biometrics

- ✓ In May 2023 we made available the new Bank Millennium app for companies
- ✓ We tested the application and its functions with users - owners of small companies who personally manage their finances, and board members of large corporations and local government units with extensive financial departments behind them
- ✓ We also drew on experience and standards in developing apps for individual clients
- ✓ Mobile banking is becoming a new platform with a great potential for customers' activation, creating stable relations with them, and promoting corporate banking products and services.

What will customers find in the app?

Biometric login, convenient shortcuts, customisable dashboard, easy order management, multi-business support, dark mode



The best ratings amongst banking apps for corporates in Poland

CORPORATE BANKING

We support our customers' green transformation and digital solutions

Ecological loan

We launched a loan with support in the form of a non-returnable ecological bonus, covering up to 80% of eligible costs of the investment which consists in improvement of power efficiency or increase in power savings.



Technological loan

We implemented a loan with a possibility to obtain co-financing in the form of a non-returnable BGK technological bonus, covering up to 70% of eligible costs of the investment, consisting in the implementation of a new technology, understood as any material and beneficial change in the process that was not previously used in the enterprise, and which results in improvement of the features of the manufactured product or service provided.



Loan for financing photovoltaic projects

We offered this loan in two variants - up to 2 mln PLN without own contribution and additional collateral (100% of energy for own needs) and up to 20 mln PLN with own contribution ranging from 10% to 20% and minimal self-consumption of energy at the level of 50%.



We develop digital customer service



We have introduced further functionalities in the process of digital two-way exchange of documents between the client and the bank. Customers have been given the opportunity to transfer documents in PDF format to the bank, and the internal circulation of digital documents covering all product areas is fully electronic.



In the eBOK service for handling leasing agreements by customers, we have expanded the list of electronic applications whereby customers can now submit online any case regarding their lease agreement.

87% *customers actively using eBOK website for leasing service*

Larger CDM network



We have extended the map of available CDMs for corporate clients. Currently, our customers can deposit cash additionally in 5,000 Euronet and Planet Cash CDMs in Poland.



PRESENTATION OF 2Q23/1H23 results

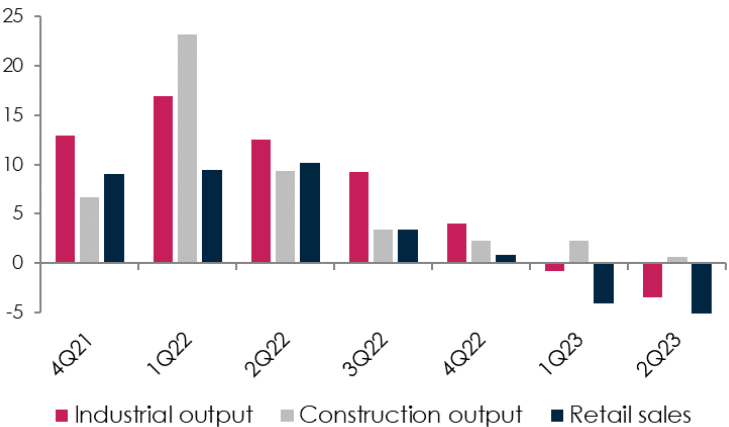
Appendices

MACROECONOMIC OVERVIEW

Economy

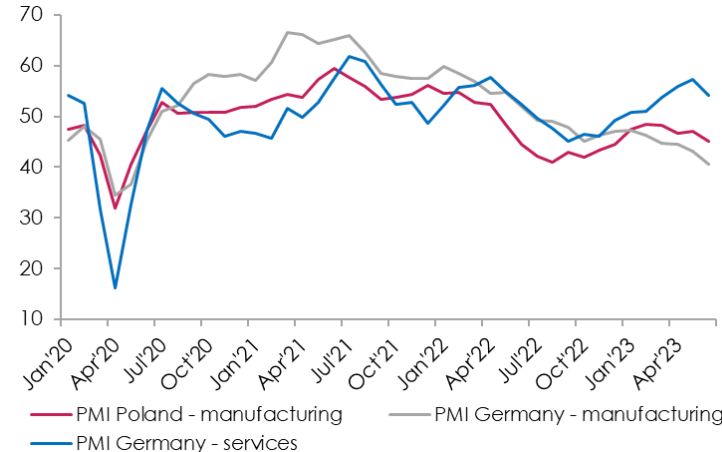
Data from real economy

(% y/y)



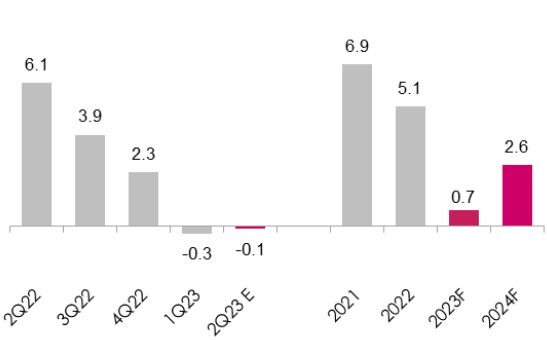
PMI indices for Poland and Germany

(pts)



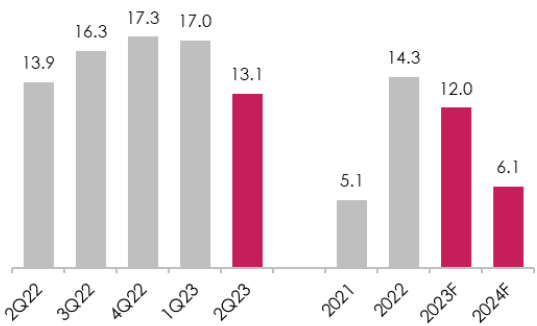
GDP growth rate

(% y/y)



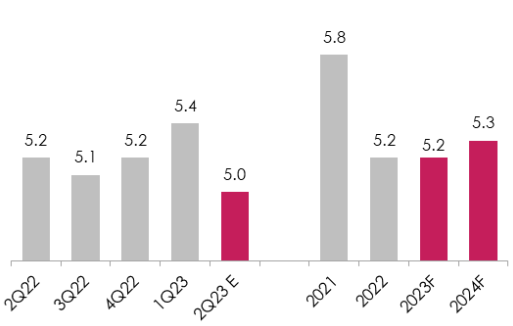
CPI inflation

(% y/y)



Registered unemployment rate

(%)

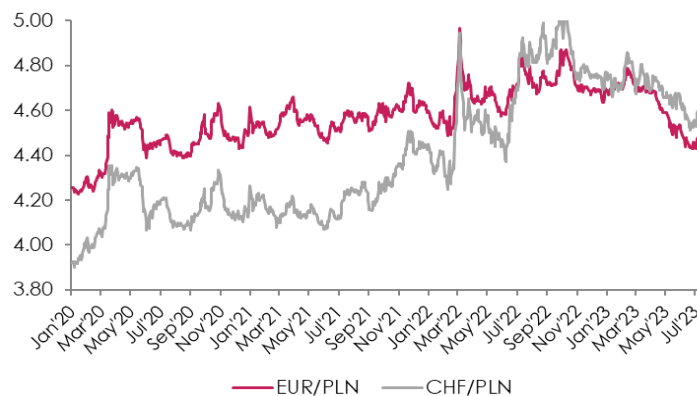


Polish, but also global economy, remain under a negative impact of high inflation and high interest rates which was mostly reflected in lower consumption, especially of goods. As a consequence, annual GDP growth rate in Poland should remain negative in 2Q23. Economy is expected to recover in 2H23 and in the whole year the GDP growth should reach ca. 1%. Labour market remained tight with an unemployment rate at levels close to historical lows. Disinflation continued in 2Q23 driven by fading supply shocks in food and fuel markets as well as stabilization in core inflation measures. However, the headline CPI remains much above the NBP target.

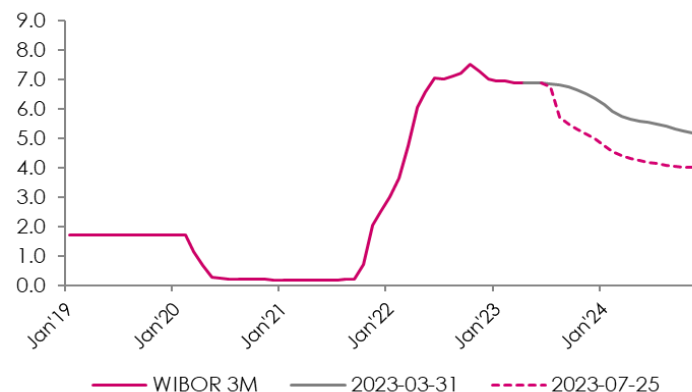
MACROECONOMIC OVERVIEW

Financial markets

Evolution of FX rates

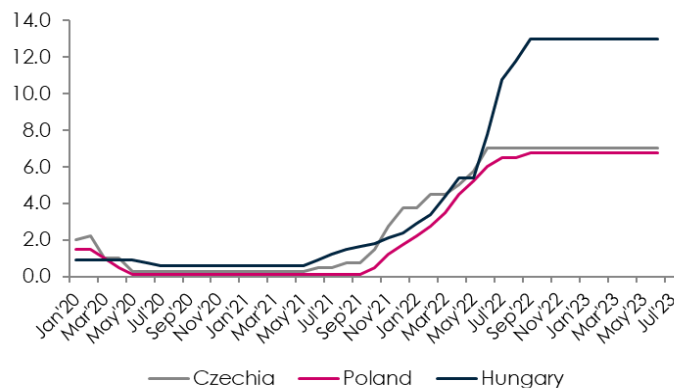


WIBOR 3M and market expectations (%)

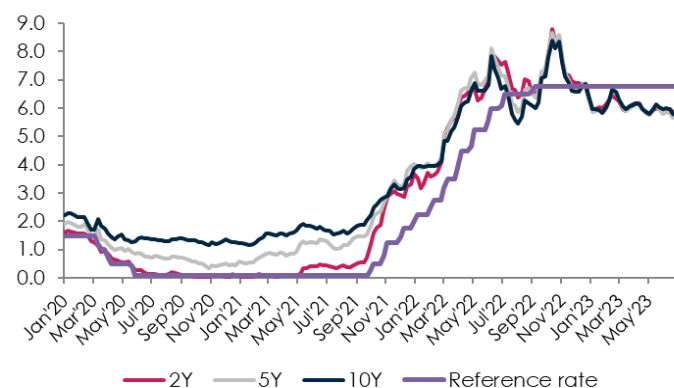


The Monetary Policy Council continued in 2Q23 a wait-and-see approach that has been adopted due to the mounting risks for economic activity, but also stubbornly high inflation. The rhetoric of the MPC sounds dovish and suggests possible interest rate cuts already in 2023 as inflation started to recede. Zloty strengthened significantly against the major currencies and EUR/PLN dropped to even 4.40 i.e. the lowest level since end of 2020 (pre-COVID-19 levels and war in Ukraine).

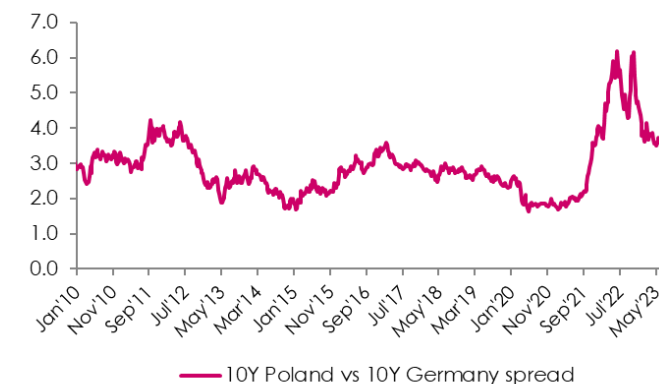
Official interest rates in CEE-3 countries (%)



Polish T-bonds yields (%)



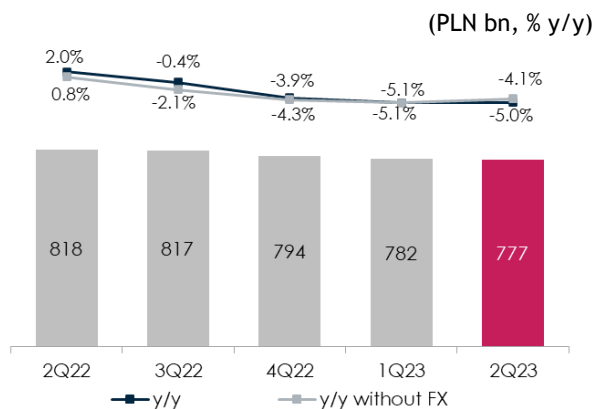
Spread of Polish 10Y bond to 10Y German benchmark (%)



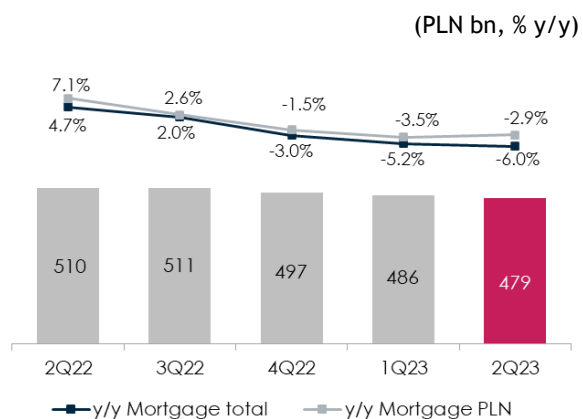
MACROECONOMIC OVERVIEW

Monetary aggregates

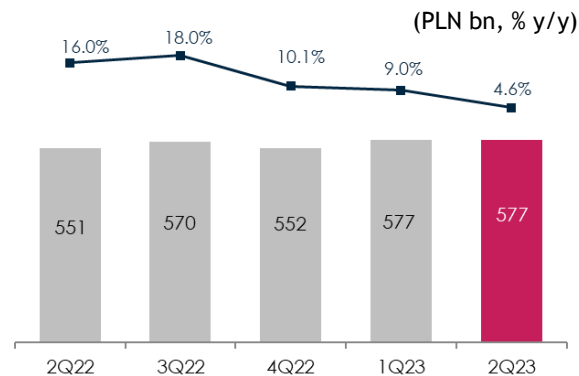
Loans to households



Mortgage loans

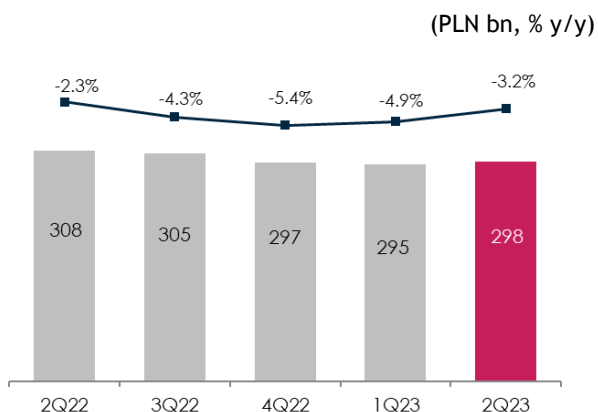


Loans to companies

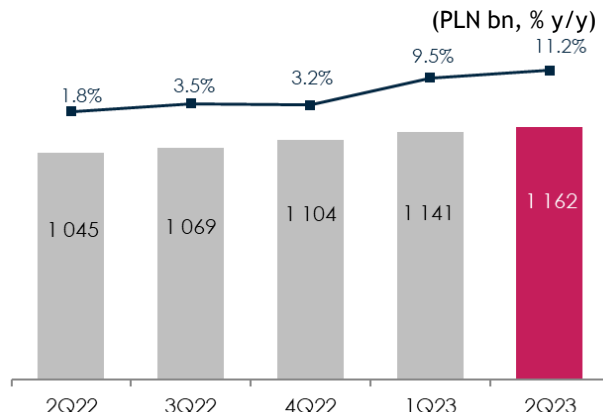


The total value of loans in the economy remained relatively stable in 2Q23. This is due, on the one hand, to the repayment of liabilities, and, on the other hand, to rebuilding in the value of newly granted loans, both for households and enterprises.

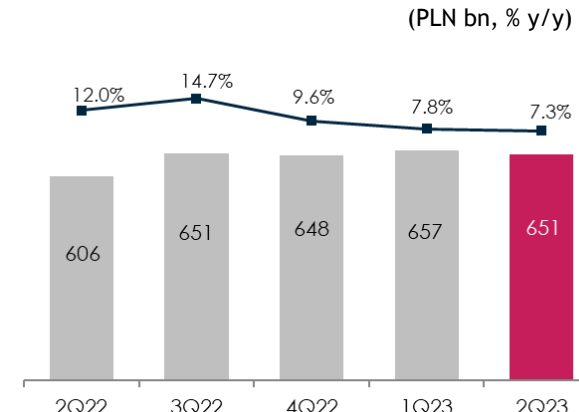
Households: non-mortgage loans



Deposits from households



Deposits from companies

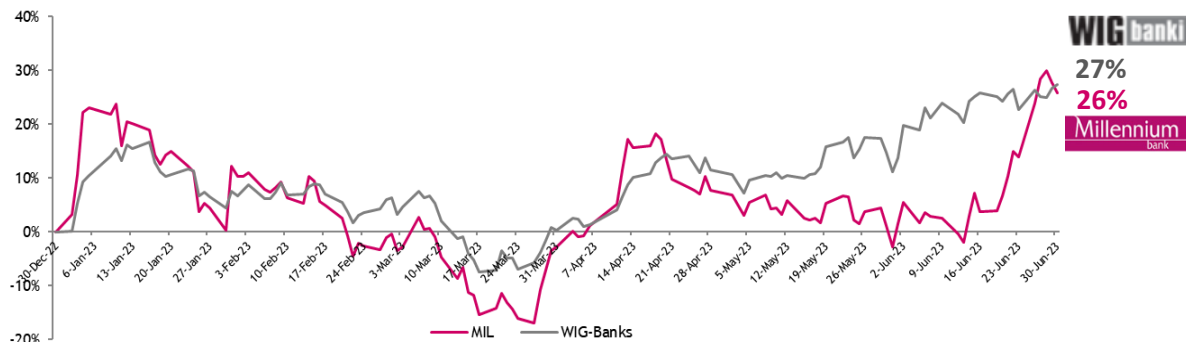


The value of deposits in the banking sector was at the end of 2Q23 higher than in 1Q23 by PLN 14.3bn, which was due to the increase in households' deposits. Deposits in the economy continue to grow, albeit at a slower pace.

RATINGS AND MARKET RATIOS

In 2Q23 Polish banks rebounded on a combination of easing concerns over the shape of the European banking sector, strong results of Polish banks and implied attractive valuations.

Annual change of Bank Millennium share performance vs. WIG Banks 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 March 24th, 2023 Moody's rating agency confirmed Bank's long- and short-term deposit ratings at Baa3/P-3 and its (P)Ba2 junior senior unsecured MTN program ratings and changed the outlook on the long-term deposit ratings from ratings under review for downgrade to negative. The Bank's BCA was downgraded to ba3 from ba2 and Adjusted BCA was confirmed at ba2.

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

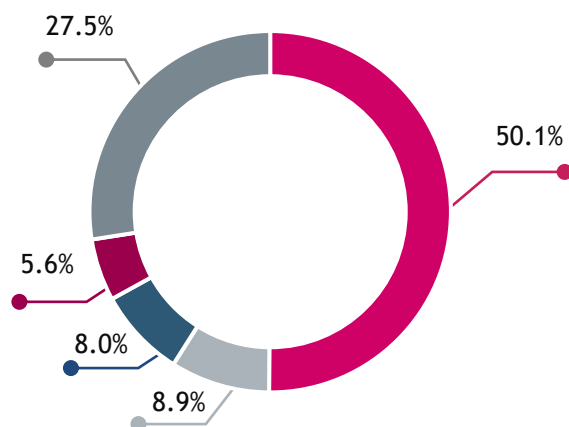
The Bank's corporate ratings, at the date of this presentation, were as follows:

Moody's Baa3 / P3/ ba3 / negative outlook

Fitch BB / B/ bb/ positive outlook**

Bank Millennium shareholders' structure (31.12.2022)

- BCP
- Nationale-Nederlanden OFE (Pension Fund)
- Allianz OFE (Pension Fund)*
- PZU „Złota Jesień” OFE (Pension Fund)
- Remaining free float



(*) According to the information in [current report no 18/2023](#); (**) Fitch revised the outlook from stable to positive on July 13, 2023.

ESG ACTIVITIES

Millennium
Financial and ESG report
2022

Effective against challenges -

the strength of the business model in a difficult 2022



The Bank Millennium and Bank Millennium Group ESG Report for 2022 was published - it is an annual summary of activities within the Bank and the Group.

The report **was verified** as part of **independent assurance services** by **Deloitte Audyt Sp. z o. o. sp.k.** in terms of **selected GRI indicators**, issued by the **Global Reporting Initiative (GRI)**.

As in previous years, the Bank also made available an online version of the report, allowing readers to read its content in a clear, attractive and interactive way

- Online report made in accordance with the latest technical, graphic and navigation solutions.

Accession to the United Nations Global Compact

- Bank Millennium acceded to the United Nations Global Compact as direct participant.
- UNGC is the world's largest UN initiative for sustainable business.
- Accession to the **UNGC means a commitment to comply with and implement 10 Principles of the United Nations Global Compact.**
- The Bank's accession to the UNGC is another very important step towards enabling the Bank to fully implement the UN Sustainable Development Goals.



Premiere of the full version of the report "Millennium Eco-Index - eco-innovation potential of regions"

- Report on the development of eco-innovation in Poland in **an extended version with detailed descriptions of the strengths and weaknesses of individual voivodeships**, as well as **comments from representatives of business, NGOs, local governments and scientists.**

ZIELONE FINANSE w Polsce 2023



Premiere of the report "Green Finance in Poland 2023" with the article "Banking in green" by Joao Bras Jorge, President of BM

- The article discusses the bank's commitment to sustainable development.
- The report "Green Finance in Poland 2023" was presented during this year's **European Financial Congress in Sopot.**

- The report was prepared by the **UN Global Compact Network Poland** and **the Institute for Responsible Finance** in cooperation with **the Ministry of Funds and Regional Policy** and the **Ministry of Finance.**

ESG activities related to education:

- **Webinars of the CFO Club** entitled: "CFO's participation in the implementation of the ESG strategy", "Data analytics, artificial intelligence, GPT chat",
- **Activities focused around the EU funds competence center at Bank Millennium,**
- **Webinars addressed to customers, facilitating the use of pro-ecological products:** webinar on technological credit (113 participants) and ecological credit (126 participants),
- **Another edition of the "Financial ABCs" programme.**

ESG ACTIVITIES

A range of products aimed at supporting sustainable development:

- Bank Millennium:

- Green loans for financing photovoltaic projects,
- Continuation of cooperation with Bank Gospodarstwa Krajowego as part of partnership programs:
 - Biznesmax Programme,
 - Technological Loan (in line with FENG Technological Loan regulations),
 - Ecological Loan.

- Millennium Leasing:

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



Millennium Docs Against Gravity

- The jubilee 20th edition of MDAG took place on 12-21 May 2023 in cinemas in eight Polish cities - Warsaw, Wrocław, Gdynia, Poznań, Katowice, Łódź, Bydgoszcz and Lublin and online - from 23 May to 4 June on the mdag.pl platform.
- 144,483 spectators in both parts of the festival.
- Altogether 190 of the best documentaries from around the world, both short and full-length, were presented.

Our People'23: Save the Planet

- 1,500 employees during 2 months of sports challenge for the planet won a quarter of a million zlotys for eco-volunteering through which the Bank Millennium Foundation will implement ecological projects.
- The joint action aims to promote social values such as solidarity, care for the environment and a healthy lifestyle.



The most important awards for ESG activities:

- Bank Millennium awarded the title of Europe's Climate Leader 2023 in Financial Times and Statista ranking,
- CSR Golden Leaf of Polityka weekly,
- The sixth in the general classification, and fifth place in the banking, financial and insurance sector category in the 17th Ranking of Responsible Companies,
- Second in the Best Employers Poland 2023 ranking in the category "Banks and financial services",
- Five good practices of Bank Millennium in the report "Responsible Business in Poland 2022. Good Practices".



THE MOST IMPORTANT AWARDS AND ACHIEVEMENTS OF BANK MILLENNIUM AFTER 2Q23

The best multi-channel service quality and HR successes confirmed by independent rankings and competitions



We won the Golden Banker!
We are the winner of the Golden Bank 2023 title for the best multi-channel service quality

Bank Millennium was on the podium in all categories that made up the main prize, and was the best in two categories. The hotline turned out to be unbeatable, the best for the third year in a row. Correspondence via e-mail/chat was rated equally high. The very high position of the website in the bank's own branches also contributed to the victory. "Złoty Bankier" is the largest survey of the banking sector in Poland conducted by Bankier.pl and "Puls Biznesu".



2nd place in the Best Employers Poland 2023 ranking in the "Banks and financial services" category

The Bank again took second place in the ranking of the best employers in banking and financial services and 32 among all companies included in the 4th edition of the Best Employers Poland 2023 ranking. The ranking of 300 companies operating in Poland that are successful in the field of HR was prepared by Forbes Polska magazine and Statista.



We are the best bank in Poland according to the Global Finance magazine

We were again awarded by the prestigious Global Finance magazine and won the title of the best bank in Poland in 2023 (The Best Bank in Poland for 2023). The Global Finance Awards have been announced for the thirtieth time. - *We make all efforts to meet the constantly growing and changing needs of our customers* - commented Joao Bras Jorge, President of the Management Board of the Bank.

SYNTHETIC P&L ACCOUNT

Reported results

(PLN milion)	1H22	1H23	Change Y/Y	1Q23	2Q23	Change Q/Q
Net interest income	2 140	2 598	21%	1 262	1 336	-
Net commission income	427	404	-5%	201	203	1%
Other non-interest income	-70	572	-	594	-22	-
Operating Income	2 497	3 574	43%	2 057	1 517	-26%
General and administrative costs	-1 059	-865	-18%	-469	-395	-16%
Depreciation	-104	-105	1%	-53	-53	1%
Total operating costs	-1 163	-970	-17%	-522	-448	-14%
Net cost of risk *	-154	-172	12%	-119	-52	-56%
Other modification	0	-36	-	-19	-17	-8%
FX legal risk provision	-1 015	-1 621	60%	-864	-757	-12%
Operating profit	165	775	-	534	242	-55%
Banking tax	-169	0	-100%	0	0	-
Pre-tax profit	-4	775	-	534	242	-55%
Income tax	-259	-418	61%	-281	-136	-52%
Net profit	-263	358	-	252	106	-58%

(*) 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

(PLN million)	30.06.2022	31.03.2023	30.06.2023	Change y/y
ASSETS				
Cash and balances with the Central Bank	5 810	5 452	6 769	17%
Loans and advances to banks	1 080	586	532	-51%
Loans and advances to customers	79 342	75 380	74 152	-7%
Amounts due from reverse repo trans.	8	0	48	480%
Debt securities	19 532	28 723	29 400	51%
Derivatives (for hedging and trading)	221	432	617	180%
Shares and other financial instruments	149	135	135	-10%
Tangible and intangible fixed assets	938	1 002	995	6%
Other assets	1 778	2 118	2 176	22%
TOTAL ASSETS	108 858	113 828	114 824	5%
LIABILITIES AND EQUITY				
Deposits and loans from banks	547	462	523	-4%
Deposits from customers	96 122	100 876	100 597	5%
Liabilities from repo transactions	0	0	350	-
Financial liabilities at fair value through P&L and hedging derivatives	1 081	828	898	-17%
Liabilities from securities issued	0	256	252	-
Provisions	759	974	1 142	50%
Subordinated liabilities	1 554	1 564	1 566	1%
Other liabilities	3 017	2 795	3 139	4%
TOTAL LIABILITIES	103 079	107 755	108 466	5%
TOTAL EQUITY	5 779	6 073	6 357	10%
TOTAL LIABILITIES AND EQUITY	108 858	113 828	114 824	5%

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www.bankmillennium.pl



[Kanał na YouTube](#)



[@BankMillennium](#)

Next events:



27.10.2023 – 3Q23 results